



# **Supplier Diversity**









**Supplier Diversity** is a business program at Lilly focused on ensuring the inclusion of small/diverse suppliers in our supply chain.

#### Businesses included in our program

- Minority Business Enterprises
- Women Business Enterprises
- Veteran Business Enterprises
- LGBTQ+ Owned Businesses
- Disability-Owned Businesses
- Businesses in Historically Underutilized Business Zone
- Small Businesses













**Our Purpose** 

#### **Engage**

- Partnering with Advocacy Organizations
- Connecting with Small/ Diverse Suppliers
- Sharing Best Practices with Industry Groups



#### **Empower**

- Actively Including Small/Diverse Suppliers
- Developing Suppliers through Mentorship
- Leading Advocacy Organization Efforts



#### **Impact**

- Integrating Small/ Diverse Businesses in the Supply Chain
- Expanding Small/ Diverse Business' **Economic Potential**
- Achieving Results



# **Small/Diverse Categories\***









#### **Government Requirements** (VA & SBA)

**Small Business Enterprise** SBE

**Small Disadvantaged Business SDB** 

**Women-Owned Small Business WOSB** 

**Veteran-Owned Small Business VOSB** 

Service-Disabled Veteran-Owned Small Business SD-VOSB

**Historically Underutilized Business Zone HUBZone** 

#### **Lilly Corporate Goals**

**Minority Business Enterprise MBE** 

Focused effort to support Racial Justice Commitment

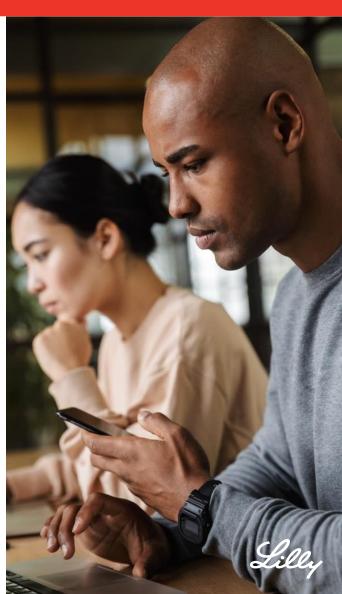
**Women Business Enterprise WBE** 

**Veteran Business Enterprise VBE** 

Lesbian, Gay, Bisexual, **Transgender or Queer-Owned Business** LGBTQ+

**Disability-Owned Business Enterprise DOBE** 

\* A supplier can qualify for multiple business categories



# **Certification Requirements**









<b>Government Re</b>	equirements
(VA & SBA)	•

#### **Small Business Enterprise** SBE

#### **Small Disadvantaged Business SDB**

#### **Women-Owned Small Business WOSB**

#### **Veteran-Owned Small Business VOSB**

Service-Disabled Veteran-**Owned Small Business** 

SD-VOSB

**Historically Underutilized Business Zone** HUBZone

### **Certifications Accepted**

Small Business Administration (SBA) Small Business Size Standards; Self-Certification

SBA 8(a) Certification; Self-Certification

SBA; Women Business Enterprise National

Council (WBENC); Self-Certification

SBA; NVBDC Certification; VA Registration with

Self-Certification

SBA; NVBDC Certification; Disability:IN

Certification; VA Registration with

Self-Certification

SBA HUBZone Certification



#### **Supplier Diversity**

# **Certification Requirements**











#### **Lilly Corporate Goals**

**Minority Business Enterprise** MBE

**Women Business Enterprise WBE** 

**Veteran Business Enterprise VBE** 

Lesbian, Gay, Bisexual, **Transgender or Queer-Owned Business** LGBTQ+

**Disability-Owned Business Enterprise** DOBE

### **Certifications Accepted**

National Minority Supplier Development Council (NMSDC) Affiliates or Equivalent 3rd Party Certifying Organization

Women Business Enterprise National Council (WBENC) Affiliates or Equivalent 3<sup>rd</sup> Party **Certifying Organization** 

National Veteran Business Development Council (NVBDC)

National LGBT Chamber of Commerce (NGLCC)

Disability: IN; NVBDC



#### **Supplier Diversity**











#### **Definition**

- Tier 1 suppliers
   Contract directly with Lilly
- Tier 2 suppliers
   Contract through a Tier 1 supplier to Lilly

#### **Drivers**

- Lilly is a prime contractor to U.S. government
- Flow-Down obligation

A prime contractor's subcontractor is referred to as the first-tier subcontractor. The OTSB prime contractor must flow-down the Subcontracting Plan requirements to all subcontractors (except small businesses) who receive a single order or subcontract in excess of \$650,000 for goods and services, or \$1.5 million for construction of a public facility.



# Why Partner with Lilly on Tier 2?

#### Supplier Diversity









- We need the unique opportunities that YOUR company can provide to qualified small/diverse businesses
- Left un-addressed, these challenges will diminish competitive access to opportunities for qualified small/diverse businesses
- We view YOU as our partner willing to share the responsibility to ensure growth in the marketplace
- Your partnership will strengthen our supply chain management process and increase both our competitive advantages



## Reporting Methods

#### **Supplier Diversity**







#### Direct

Report the spend and names of small and diverse suppliers that a Tier 1 supplier subcontracts with on Lilly business

#### Indirect

Determine what percent the Lilly sales revenue is to a Tier 1 supplier's overall sales, and then multiply that percentage by the supplier's diversity spend amount for each small and diverse category. To be used when there is no subcontracting opportunity for Lilly projects



# Direct Method (sample screen)

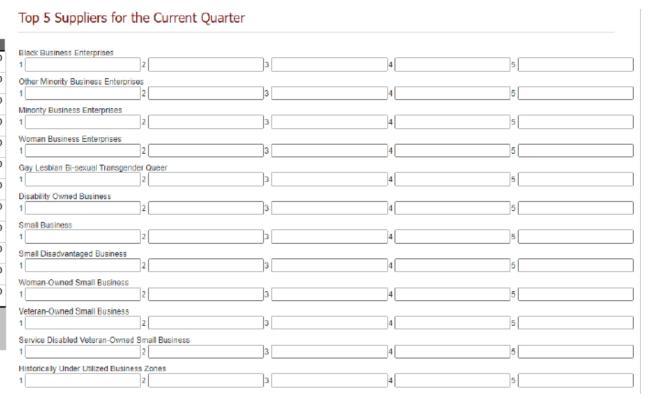








	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total YTD
Total Black Business Enterprises	\$				\$0.00
Total Other Minority Business Enterprises	\$				\$0.00
Total Minority Business Enterprises	\$				\$0.00
Total Woman Business Enterprises	\$				\$0.00
Total Gay Lesbian Bi-sexual Transgender Queer	\$				\$0.00
Total Disability Owned Business	\$				\$0.00
Total Small Business	\$				\$0.00
Total Small Disadvantaged Business	\$				\$0.00
Total Woman-Owned Small Business	\$				\$0.00
Total Veteran-Owned Small Business	\$				\$0.00
Total Service Disabled Veteran-Owned Small Business	\$				\$0.00
Total Historically Under Utilized Business Zones	\$				\$0.00
TOTAL SPEND (individual quarter)	\$0.00	\$0.00	\$0.00	\$0.00	
Total YTD Spend (cumulative qtr spend)	\$0.00	\$0.00	\$0.00	\$0.00	





# Indirect Method (sample screen)









	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total YTD
Your Company's Total Sales Revenue	\$				\$0.00
Sales Revenue from Lilly Business	\$				\$0.00
Revenue from Lilly Business as a Percentage of your company's Total revenue	0.00%	\$0.00	\$0.00	\$0.00	0.00%

#### Amount Spent with Diverse Suppliers by Your Company by Category

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total YTD
Black Business Enterprises	s				\$0.00
Other Minority Business Enterprises	\$				\$0.00
Minority Business Enterprises	\$				\$0.00
Woman Business Enterprises	\$				\$0.00
Gay Lesbian Bi-sexual Transgender Queer	\$				\$0.00
Disability Owned Business	\$				\$0.00
Small Business	\$				\$0.00
Small Disadvantaged Business	\$				\$0.00
Woman-Owned Small Business	\$				\$0.00
Veteran-Owned Small Business	\$				\$0.00
Service Disabled Veteran-Owned Small Business	\$				\$0.00
Historically Under Utilized Business Zones	\$				\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

#### Indirect Spend Attributable to Lilly Business by Category

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total YTD
Black Business Enterprises	\$0.00				\$0.00
Other Minority Business Enterprises	\$0.00				\$0.00
Minority Business Enterprises	\$0.00				\$0.00
Woman Business Enterprises	\$0.00				\$0.00
Gay Lesbian Bi-sexual Transgender Queer	\$0.00				\$0.00
Disability Owned Business	\$0.00				\$0.00
Small Business	\$0.00				\$0.00
Small Disadvantaged Business	\$0.00				\$0.00
Woman-Owned Small Business	\$0.00				\$0.00
Veteran-Owned Small Business	\$0.00				\$0.00
Service Disabled Veteran-Owned Small Business	\$0.00				\$0.00
Historically Under Utilized Business Zones	\$0.00				\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



### Reporting Process









- The Lilly data portal is managed by Hibbert
- E-mail notification will come from Hibbert
  - Sender email: <u>Lillytier2spend@hibbertgroup.com</u>
- One (1) Email contact for your company
  - One per Tier 1 supplier
  - Individual responsible for data submission
  - He/she will receive ALL data reporting communication



# Reporting Timeline









### Data reported on a QUARTERLY basis

Responsible Parties	Task	Timing
Hibbert	Send the initial email to all suppliers re: quarterly submission with a due date of the 25 <sup>th</sup> of the month	1sr day after quarter-stop
Hibbert	Open the portal for data submission	1 <sup>st</sup> day after quarter-top
Suppliers	Start the data submission	After the portal opens, until the 29th
Hibbert	Email a past due notification to suppliers, inform them of the portal closure on the 30 <sup>th</sup> , CC: Lilly sourcing associates	26 days after quarter-stop
Past-Due Suppliers	Continue with data submission	Through the 29 <sup>th</sup>
Hibbert	Close the portal	30 <sup>th</sup> day after quarter-stop
Hibbert	Compile data and submit final report to Lilly	32 <sup>nd</sup> day after quarter-stop













