



Supplier Diversity



**SUPPLIER DIVERSITY HANDBOOK
2016**



Supplier Diversity Handbook – 2016

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Walmart  Sams Club  Member Since 1983

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Introduction:

History & Commitment

As the world's largest retailer, Walmart strives to save people money so they can live better. This mantra is at the core of every decision we make. One way we fulfill this commitment is to embrace diversity in all aspects of our organization; from our talented associates to the supplier partners with whom we work to deliver the products and services our customers want and need, while fulfilling our business needs.

Walmart Stores, Inc. established its Supplier Diversity Initiative in 1994 when the spend was \$2 million with diverse suppliers. Currently, we do business with more than 3,000 diverse and women suppliers and our spend has reached several billion dollars.

While we work with many different kinds of companies – from grocery to construction – they all have one thing in common, they share our passion for helping our customers save money so they can live better.

Building Next Generation Supplier Diversity:

We partner with thousands of suppliers in every merchandise category. Their ideas, products and energy have helped fuel our growth for almost 50 years and they are an important part of our future. To continue to deliver on our brand purpose, we need excellence in our supply chain. We need suppliers who can ensure that our product assortment and prices are relevant to our customer's needs.

Advancing Supplier Diversity through Education and Advocacy:

The Supplier Diversity program aims to expand and advance our current pool of more than 3,000 diverse suppliers through education and mentoring. Our goal is to support capacity building for minority and women owned businesses. We aspire to create prosperity through empowerment.

As part of our efforts to stay connected to the best and brightest of diverse suppliers, we partner with the *National Minority Supplier Development Council (NMSDC)*, *Women's Business Enterprise National Council (WBENC)*, *USBLN Disability Supplier Diversity Program (DSDP)*, *US Pan Asian American Chamber of Commerce (USPAACC)* and several other organizations across the country to identify potential suppliers.



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Since 2008, we have provided numerous scholarships to diverse and women owned businesses for the **Tuck Executive Program**, at the **Tuck School of Business at Dartmouth College**, Hanover, NH. The program is a highly regarded, intensive one-week entrepreneurial business course designed for high-performing minority and women business owners diverse owned businesses. The program prepares minority and women owned businesses for success.

Walmart Stores, Inc Launches Global Women’s Economic Empowerment Initiative:

In 2011, Walmart Stores, Inc President and CEO Mike Duke announced a major initiative that will use the company’s global size and scale to help empower women across its supply chain.

Walmart’s Global Women’s Economic empowerment commitment is to source \$20 billion from women owned businesses for our U.S. business and double our sourcing from women for our international markets.

Value Proposition:

Our goal of saving people money so they can live better drives the need for diversity in our company and in our product assortment. Providing merchandise and services from diverse supplier partners through our supply chain and ultimately in our stores, is meaningful for both our customer and our company. The purchase of goods and services that support our company’s operations (e.g. marketing, logistics, ISD, supply chain, private brands, etc) is another way of supporting the economic development of the diverse communities we serve. In many cases, diverse companies are located in the communities served by Walmart Stores and Supply Chain operations. Many of our customers may be employed by companies supported in part through the efforts of Walmart’s Supplier Diversity Program.

Diverse Supplier Registration:

If you are a diverse supplier, registering your company in the Walmart Supplier Diversity Portal is an important step toward pursuing a business relationship with our company. You can access our registration portal by clicking on this link;

<http://WalmartSupplierDiversityRegistration.cvmsolutions.com>.

Suppliers can expect an electronic response confirming receipt of registration; your profile is accessible to hundreds of merchants, sourcing and business leads throughout Walmart Stores, Inc.



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Review all of the necessary steps and carefully enter all of the required information. Inability to complete any required information may delay our response to your registration request. Inquiries regarding previous year's revenue and your organization's financial history provide Walmart insight regarding your suitability as a local, regional, or nationally- scaled supplier partner.

It is the preference of Walmart to do business with diverse companies that are currently certified with a recognizable certification agency (e.g. NMSDC, WBENC, USPAACC, United States Department of Veterans Affairs <vetbiz.gov> or affiliates, a public sector certifying division or municipal purchasing department).

Certification of your company helps to ensure the integrity of Walmart Supplier Diversity initiatives. Non-Certified diverse suppliers may submit proposals to do business with Walmart but may be asked to pursue certification prior to awarding a contract.

It is important to our collective organizations that all deals or contracts are mutually beneficial for all concerned parties. Some opportunities may be either too large or small for diverse businesses to practically and efficiently manage. These are important considerations for the sourcing group responsible for awarding contracts. Therefore, we request that you provide complete and accurate information.

Pre-Proposal Recommendations & Requirements:

There are requirements and review points that will assist your company in pursuing a business relationship with Walmart.

Required:

- Certification (previously mentioned) or certification "in process" documents
- Dun & Bradstreet number – six or below
- NACIS or SIC Code for the products/service you are proposing
- Understanding and compliance with all insurance, regulatory laws or conditions pertaining to your industry, specific product or service
- List of references that can support your performance in delivering products and services at the scale that you are proposing. Vendors doing business in the retail industry for the first time can provide similar sized project references



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Recommended:

- Proof of company's ability to be "scalable" in the eyes of all reviewing parties. In other words, how much business can your company effectively handle? For additional insight, see Capitalization Consideration insight.
- Basic technology and EDI (electronic data interchange) capacity
- Annual promotion plan

Documents Required:

Documents required to apply with Walmart and SAM'S Club

- Dun & Bradstreet Number
- UPC – Bar Code

Documents required after online product submission is accepted

- Food Safety Audits – www.icix.com/customers/walmart
- Product Safety Quality Testing Compliance –
www.icix.com/customers/walmart
- Minority Certificate (when applicable)
- Electronic Date Interchange (EDI)

Documents required before agreement is sign off

- Certificate of Insurance



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Cost of Doing Business:

Cost varies to different Suppliers

| Documents required before applying | Cost | Source |
|---|--|---|
| Dun & Bradstreet | \$229 – Expedite application • \$120 – Domestic Suppliers • \$205 – International Suppliers | www.dnb.com 888.347.0475 |
| U.P.C Barcode | \$250 - \$10,500 (Depends on numbers of items needing a Barcode/GTIN) | www.gs1us.org/get-started/im-new-to-gs1-us |
| Documents after Online Submission Form is accepted | Cost | Source |
| Food Safety Audits | \$200 - \$20,000 – varies with products, sizes, colors | |
| GFSI Certification | \$ 1,400 average plus travel expenses, audit last 3-5 days Cost will vary by numbers of facilities, condition of facilities and safety audit status | Kerry Bridges Kerry_Bridges@walmart.com |
| Product Safety Quality Assurance Testing Compliance | \$200 - \$20,000 – varies with products, sizes, colors | |
| Minority Certificate | \$150 - \$1050 – cost different in each region | http://www.nmsdc.org/nmsdc/app/template/contentMgmt%2CContentPage_vm/contentid/3059 |
| Documents required before the agreement is sign off | Cost | Source |
| Certificate of Insurance | \$ 1,000 average per Million – varies depending on product, company history, sales, area, etc | http://contractors-liability-insurance.org |

Additional Insight about Your Product(s):

It is important that you demonstrate an understanding of how your product fits into the merchandising strategy for Wal-Mart. You should present an overview that includes the following:

- Preliminary Pricing/differentiation strategy relative to the category in which your product will compete
- Your plan to deliver products to Walmart stores and what type of distribution “bandwidth” you propose
- Preliminary, comprehensive market approach information; note that this could factor into our decision about new item setup and promotional fees, which are typically assigned to most product vendors.



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Product Review Schedules & Vendor Scorecards:

Walmart is aware of the effort required to launch a new brand of product in a highly competitive retail marketplace. Smaller companies may be at a disadvantage compared to larger well– branded and highly-promoted competitors. To the extent in which diverse suppliers have prepared a comprehensive marketing and promotional schedule for new products being introduced into Walmart markets. Walmart will grant 12 to 18 months of sales performance before a product is reviewed for renewal.

Buyers will engage the Walmart Supplier Diversity team to ensure that a fair evaluation is undertaken when reviewing products that have been introduced through the Walmart Supplier Diversity Program. It is expected that diverse suppliers manage the deal structure and promotional schedules exactly as presented during the formal proposal process. Significant deviation from the approved promotional schedule could result in forfeiting this extended period of review.

Suppliers providing goods and services will be subject to quality and delivery schedules as determined in their Walmart contract. Suppliers will receive coaching and/or counsel, if needed, to assist in managing the vendor/sourcing manager relationship.

Capitalization Considerations & Sustaining Business with Walmart:

Delivering goods and services and products for resale and/or professional services in the retail industry involves significant opportunity costs. Listed below are line items that diverse suppliers should address in some form while exploring the opportunity to do business with Walmart. The amount of capital needed to ensure operational/ sales success will vary by the product and deal volume.

Product for Resale:

- Marketing and Promotional Budget
- Distribution, Warehousing, Delivery Costs (regional & national)
- Packaging/Label Modification
- Broker Fees / Outside Sales commission
- Onsite Demo charges
- Potential Reclamation Charges
- Co-Packer/Manufacturer Invoice payment schedules



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Professional Services:

Professional Service Suppliers should address the following considerations:

- Cost
- Delivery
- Geography
- Innovation
- Quality
- Scale
- Technology

Professional Services include Human Resources, Legal, IT, Marketing, Transportation, Logistics and Construction.

Frequently Asked Questions – FAQ's

What is a diverse supplier?

A diverse supplier is defined as a U.S. privately held company that is 51% owned and operated by a woman, minority, veteran or person with a disability. The following categories make up the Walmart Supplier Diversity list: Women, African American, Asian American, Hispanic American, Native American, Alaskan Native, Veterans, Disabled Veterans, People with Disabilities

How is a diverse supplier added to our Diverse Supplier Program?

All diverse suppliers need to self-register their companies and keep their diverse supplier certification up-to-date on our Supplier Diversity Portal at:

<http://WalmartSupplierDiversityRegistration.cvmsolutions.com>

**Potential and current suppliers are able to register on the Supplier Diversity Portal*

How does a diverse supplier register on the Supplier Diversity Portal?

Diverse Suppliers will copy and paste

<http://WalmartSupplierDiversityRegistration.cvmsolutions.com>

into their URL. They will follow simple step-by-step instructions for receiving a log-in and password, how to enter basic company information and how to upload their diverse supplier certification.



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What does someone do if they have lost their Supplier Diversity Portal login and/or password?

Simply click the link for lost/forgotten login or password. CVM Solutions will automatically generate an email to them with their login information and/or password re-set.

What is the purpose of the Supplier Diversity Portal?

Sourcing of new and existing diverse suppliers: Merchants and Professional Services associates have access to thousands of diverse suppliers able to meet their unique business needs 24-hours a day.

Diverse Supplier Database: The system is a one-stop shop for all potential and current diverse suppliers to keep their business capabilities updated and upload their diverse certifications.

Interactive Communication Tool: Supplier Diversity, Merchants and Vendor Offices can communicate to diverse suppliers using the portal. The Supplier Diversity Team is able to request and monitor current diverse supplier certifications, email pertinent information and provide our business units qualified and certified diverse suppliers.

What is CVM Solutions?

CVM Solutions is the 3rd party supplier that holds our platforms for the Supplier Diversity Portal and certification storage and verification applications for Walmart and Sam's Club.

Does CVM Solutions or Supplier Diversity have anything to do with the supplier on-boarding process?

No. All U.S. supplier on-boarding is administered by **Supplier Development** (for merchandise) or the **Vendor Management** offices (for Professional Services).

** Please note: Diverse suppliers must be registered on our Supplier Diversity Portal to be included in our Supplier Diversity Program and to have their diverse spend counted.*

What does it cost for a supplier to become diverse certified?

Approximately \$350-\$1000 annually and varies depending on certifying organization, region and size of company.

A supplier may gain details on pricing specific to their business by visiting certifying agency websites.



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- *National Minority Supplier Development Council* NMSDC.org
- *Women Business Enterprise National Council* WBENC.org
- *Business Leadership Network Disability at Work* USBLN.org
- *DVBE Center for Veteran Enterprise* VETBIZ.gov
- US Pan Asian American Chamber of Commerce USPAACC.com
- Federal Government
- Local Government
- Veterans DD Form 214

How long does certification take?

Certification can take several months to be approved by certifying agencies.

NMSDC and WBENC will do an audit of the supplier's financial data, location, and business practices before certifying that a supplier is a US privately held company, that is 51% owned and operated by a woman, minority, veteran or person with a disability.

Why we encourage suppliers to get a 3rd party certification?

As the world's largest retailer, Walmart strives to save people money so they can live better. This mantra is at the core of every decision we make. One way we fulfill this commitment is to embrace diversity in all aspects of our organization; from our talented associates to the supplier partners we work with to deliver the products and services our customers want and need, while fulfilling our business needs.

An important aspect of meeting these needs across Walmart is our Supplier Diversity Program.

This program provides companies owned and operated by minorities, women, veterans and people with disabilities equal footing to effectively work with us while at the same time, growing their own business.

Additional benefits of diverse certification with a 3rd party organization include business networking opportunities. Many of certification programs are designed to strategically match minority suppliers with buyers and decision makers with member corporations. Matches are based on products and services that corporate representatives are interested in and/or procure regularly.

How do we know when a supplier's certification expires (or is going to expire)?

The Supplier Diversity Portal tracks and sends out an automatic email request to the diverse supplier if they are nearing the expiration of their diverse certification. Supplier Diversity pulls reports at regular intervals to flag any potential concerns.



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What do I do when I need to send in my updated certification?

Diverse Suppliers will visit the Supplier Diversity Portal to upload their certification at *WalmartSupplierDiversityRegistration.cvmsolutions.com*

What do I do if I have additional questions about Supplier Diversity or the Supplier Diversity Portal?

Please visit <http://corporate.walmart.com/suppliers/> or email SupplierDiversity@wal-mart.com

Where do I get more information about presentations to the Walmart and Sams Club Buyer?

Please learn more at Supplier Academy

<http://corporate.walmart.com/suppliers/apply-to-be-a-supplier>