

## Dominion Resources: supplier diversity is at its heart

"We show our commitment to supplier diversity through our actions. Our mentoring program has been called one of the best," says the VP of shared services

Dominion Resources (Richmond, VA) is one of the nation's largest producers and transporters of energy, providing electricity, natural gas, and related services to customers in the Midwest, mid-Atlantic and Northeast U.S. Its supplier diversity program began in 1982, when the company established a subcontracting relationship with the federal government.

"This engagement prompted us to start the program, but we have come a long way since then. Today, our program goes right to the heart of Dominion's core values of safety, ethics, excellence and teamwork. It's the right thing to do, but it also makes good business sense," says Becky Merritt, VP of shared services.

"Diversity in the supply chain promotes exchange of ideas, supports collaboration, inspires innovation, and ensures competitive pricing

The program identifies qualified diverse suppliers and assists them in navigating Dominion's procurement process. It also encourages prime suppliers to use diverse suppliers for second-tier opportunities. Dominion is a corporate member of advocacy organizations that certify diverse suppliers, and engages with the Edison Electric Institute to connect with other utility-industry supplier diversity personnel. The program focuses on increasing diverse spend, growing a new diverse supplier base, and helping to develop select diverse companies.

### **Stretching to increase diverse spend**

"To help us focus, we set a diverse spend stretch goal each year and my entire organization works hard to beat that goal through internal and external partnerships and education.



Becky Merritt, Dominion VP of shared services: diversity makes good sense.



Tiger Controls founder Neeta Singh responded to a need and flourished.

We sponsor four diverse company executives each year in the University of Richmond executive management program, and we have a mentoring program that has been called one of the best.

We set up one-on-one matchmaking sessions, and help diverse suppliers learn how to bid effectively," Merritt says. The mentoring program holds quarterly sessions on various topics to educate diverse suppliers about the company.

The goal for the 2012 diverse spend is \$340 million with minority business enterprises (MBEs), women business enterprises (WBEs), service-disabled veterans, and historically underutilized business (HUB) zone businesses. The company locates qualified diverse suppliers and contractors through national and regional affiliates of the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC), the

Small Business Administration (SBA), local chambers of commerce, and other minority and women business advocacy organizations. Bids are by invitation only, and the company accepts certifications from WBENC, NMSDC, and federal, state and local governments. "Diverse companies must earn the work and retain it, but we support them throughout the process," Merritt notes.

## **Tiger Controls does all the right things**

Tiger Controls Inc (Greensboro, NC), a distributor of electrical, electronic and industrial supplies, is involved in Dominion's supplier development program. The Dominion procurement team meets quarterly with Tiger's leadership to discuss on-time delivery, notifications, spend, and potential opportunities. "Tiger's on-time delivery is 98 percent for 2012," Merritt notes.

The relationship with the diverse supplier began in 2001 with an order valued at \$77.50. At first Dominion used Tiger Controls only as a supplier for hard-to-find parts. "In 2012 the company is expected to exceed \$4 million in sales with Dominion, and more business is on the horizon," says Merritt. "We appreciate how they listen and respond, their flexibility, and their openness to trying new things, their business sense, and their understanding of how to run a business."

Neeta Singh, president of Tiger Controls, founded the company in 1999. Born in India, she moved with her family to the U.S. as a child. After graduating with a BA from the University of North Carolina (Greensboro, NC), she found a position as an inside salesperson for Newark Electronics (Chicago, IL), a catalog distributor of electronic components, in 1994.

"The maintenance, repair and operations (MRO) side of the components industry was very fast paced, but value added service did not seemed to be a priority for catalog distributors. I loved my customers and wanted to help them when I could. If you know when to go above and beyond for your customers, they appreciate it.

"Companies began to depend more and more on suppliers to do sourcing for them when items weren't available in their catalogs, but Newark didn't want that kind of business. A few of my customers suggested that I do that kind of sourcing for them, and I recognized that there was a niche. With their encouragement I decided to take a chance and step out on my own. They mentored me during the transition, and that was how I got my first order," Singh says.

Singh attributes part of her success to being naïve. "Some didn't think I should start a company in this area, but I got encouragement and funding from a friend. I knew how to work with manufacturers, but I decided that having an electrical engineer on staff wouldn't be a bad idea. I knew Jack Craven who had an MSEE and had owned his own business in the early 1990s. I asked him to join our team part time."

In 2000, after only one year, Tiger Controls had \$1.2 million in sales, and a year later sales were up to \$1.6 million. Craven joined the firm full time in 2001. "The business really took off. Our biggest items then were test equipment and repair parts for cellular phones. Today we have twenty-three employees. Utilities are over sixty percent of our business and this year we are shooting for \$10.5 million in sales," Singh says.

## **Mentoring: invaluable to small business**

The relationship with Dominion began through a chance opportunity during a crisis situation.

"In 2001 Dominion had an outage. One of the engineers involved had met Jack so he called Tiger hoping Jack could help. We found a part that ended up saving them three million dollars. As a result, they took us into their mentoring program, and helped us move to the next level. Dominion has been a godsend to us," says Singh.

The growth of the relationship has been fueled in part by Tiger Control's innovative application of technology and the Internet. In 2007 Tiger Controls and Dominion jointly developed an online purchasing system, TigBucket, that increases accuracy and saves time and money. In the first year, sales with Dominion went from \$600,000 to \$1.2 million as a result. Last year sales with Dominion were \$3.7 million.

"Dominion's mentoring has played a major role in our success," Singh says. "We became part of the preferred supplier program. The more they educated us about what we could do for them, the better we were able to perform. Their buyers and management got involved, so we really get to know what they need. They have a grading system and you have to stay above ninety-five percent to stay in the program. It helps us to be a better supplier to all our customers, and a better company.

"We've experienced fifteen to twenty percent growth every year as a result. Big-business mentoring for a small business like ours is invaluable," she says.