



# SMART SPENDING

AT PHILADELPHIA-ASTON, SMART SPENDING  
AND SUPPLIER DIVERSITY GO HAND-IN-HAND.

When our Philadelphia-Aston corrugated container plant went on the hunt for a competitive minority- or women-owned supplier, they found a friendly tiger waiting for them in the workforce jungle. A leader in electronic component distribution and consulting, Tiger Controls is a certified diverse supplier with a well-earned reputation for timely, cost-efficient service.

Just ask John Cramer, who handles eProcurement duties for the Philadelphia-East and Philadelphia-Aston corrugated container plants and the Philadelphia-West sheet feeder facility. With three sites to equip, Cramer doesn't have time for delivery delays, faulty parts or fuzzy deadlines.

"It's my job to save the company money any way I can, but it's also my mission to keep the plants running," says Cramer. "I've learned that with some suppliers, if I place an order tonight, I'll get the full order tomorrow, but with some, I may receive 25 parts one day, then 10, then five. I need to know whether my order will arrive within 24 to 48 hours, because, most likely, there's a reason I'm placing that order – either I have a machine down or it's about to go down. Tiger Controls really comes through."

Tiger Controls was founded in 1999 by Neeta Singh. The company's name pays tribute to her father's journey from India to America in 1963 to attend Auburn University, home of the Tigers.

"It's often tough for women- or minority-owned companies to win over customers, because many times they're viewed as being simply young and small enterprises," says Singh. "Tiger rises to the challenge through a commitment to service, and gets its reputation by following through. Our philosophy is simple: we give the customer what they want and need to succeed."

## SMART SUPPLY

Our corporate procurement department played a key role in identifying and qualifying Tiger Controls as a diverse supplier. For Cramer, Tiger Controls' performance proves women- and minority-owned suppliers *can* compete.

Not only did Cramer get a 30 percent discount on the first electronic components he ordered from Tiger, but he received the complete order the next morning, along with a thank-you note and a follow-up phone call. Such attention to detail and personalized service helped Tiger win a sizable amount of business from the Philly-Aston plant.

"Suppliers like Tiger step in and say, 'Give us a shot. We can give you more bang for the buck,'" says Cramer. "Every minute the plant is down means an extra hassle for our customers. Tiger Controls gives me the product and service that I need, and that helps the entire company, because our machines keep running."

Process Improvement and Administration Director Stephanie Franco couldn't agree more. Franco oversees the company's supplier diversity efforts and gives Tiger Controls high marks for reliability and responsiveness.

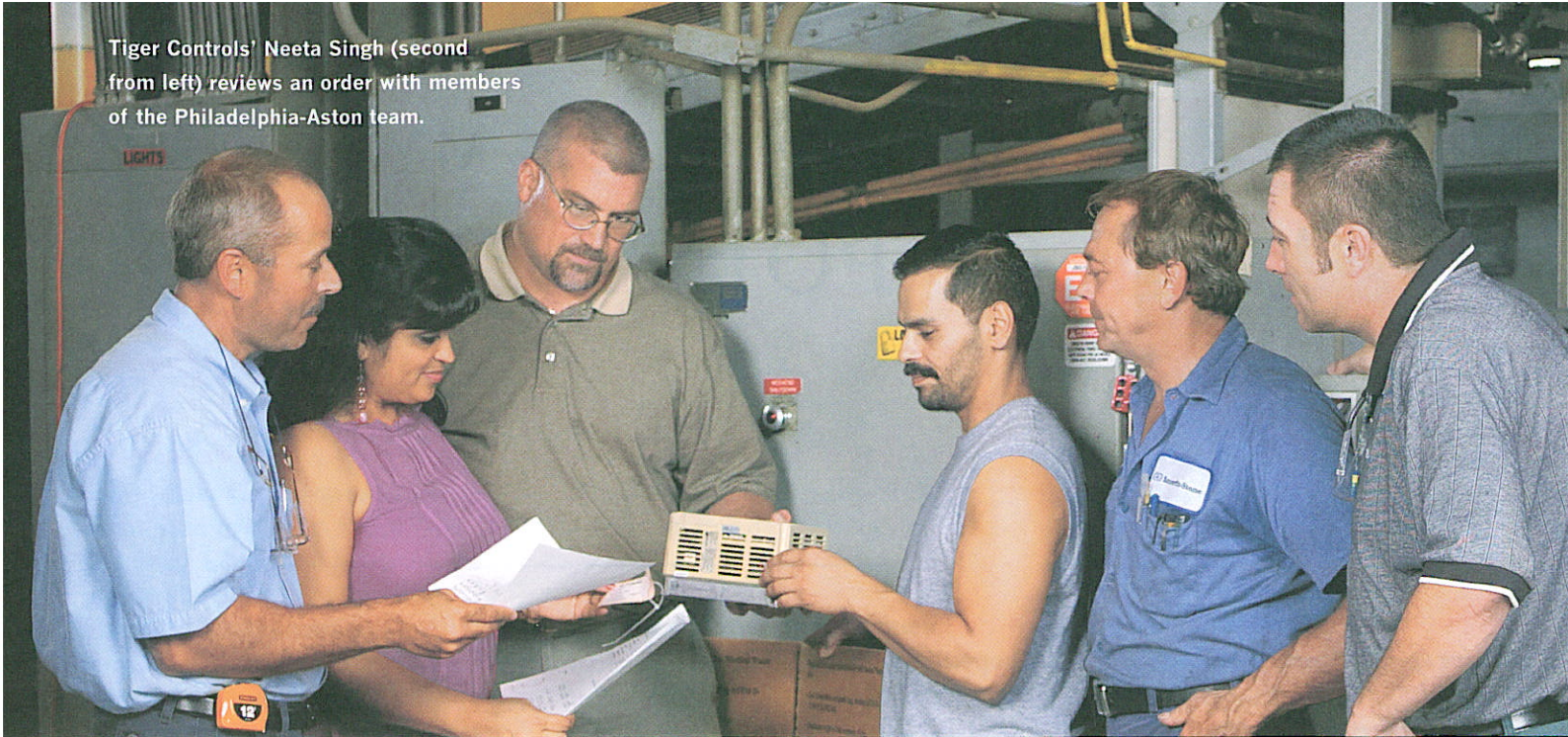
"Tiger Controls presents a perfect example of how everyone can benefit from diversity," says Franco. "Our plants receive excellent service. At the same time, by doing business with Tiger, we satisfy growing customer calls for greater representation of women and minorities in our supplier base."

## DIVERSITY MATTERS

Simply put, supplier diversity is good business. Consumer products giants and major Smurfit-Stone customers – like PepsiCo., Sara Lee, Procter & Gamble and Kellogg's – see a direct link between a successful diversity strategy and strong revenues. At the same time, by contracting with certified, minority- and women-owned suppliers, major



Tiger Controls' Neeta Singh (second from left) reviews an order with members of the Philadelphia-Aston team.



consumer products manufacturers can bring jobs and growth to disadvantaged communities.

"We're committed to attaining the best value and highest quality goods and services from our suppliers," says Franco. "Over the past few years, the corporate procurement department has been extremely successful in reducing costs by entering into large, national contracts. But we're also committed to creating opportunities for minorities and women. It's a balancing act – but it's one we all must attempt."

Consider the case of PepsiCo. As one of Smurfit-Stone's largest accounts, the beverage giant is positioned at the cooler-than-cool center of the urban marketplace. A few years ago, when a group of activists demanded greater minority representation in PepsiCo.'s supplier and management ranks, the company introduced tough new diversity mandates almost immediately.

To continue to do business with PepsiCo., companies will be required to post 12 percent year-over-year diverse supplier growth over the next five to seven years. Ultimately, all of PepsiCo.'s suppliers will have to direct 5 percent of total spending to minority- or women-operated enterprises like Tiger Controls.

Given the swelling numbers of Hispanics, Asians and other minority consumers in the U.S. population, PepsiCo.'s tough stand makes perfect sense, says Franco.

"Without a workforce and supplier base that looks like America, consumer products companies could lose touch with the markets they serve. To sell effectively, companies must find ways to speak to an increasingly diverse audience. That means bringing diverse skills, perspectives and leadership to the table."

PepsiCo. isn't alone. In 2004, America's biggest corporations will spend more than \$60 billion to buy goods and services from women- and minority-operated enterprises.


Still, minority suppliers claim only 4 percent of total corporate spending. When Franco and the corporate procurement department recently surveyed top customers, the consensus was clear.

"Our customers believe that diversity is a key to their growth opportunities," says Franco. "They expect us to set our diversity standards high."

#### IMPOSTERS BEWARE

To be considered as a minority supplier for SSCC, businesses must possess certification from one of the independent, third-party agencies like the National Minority Supplier Diversity Council (NMSDC) or the Women's Business Enterprise National Council (WBENC) and their affiliates. These agencies investigate diversity claims and conduct employee interviews, spot inspections and intensive audits.

Better yet, diversity is already hardwired into Smurfit-Stone's business strategy – our formal supplier diversity program dates back to the formation of Smurfit-Stone in 1998, and efforts to build a more diverse internal employee population began years earlier. Additionally, since 2002, the company has spent more than \$245 million with diverse suppliers. We've also introduced awareness training and new systems to measure and track each dollar spent on diversity.

"We've developed a strong legacy of ownership, commitment and accountability for diversity at Smurfit-Stone," says Franco. "That visible leadership and commitment will serve us well when we bid for business. Our commitment to diversity makes Smurfit-Stone a more rewarding place to work." 

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