

EASY AS DELL

Computer giant makes it easy for vetpreneurs to become a link in the supply chain.

BY MATTHEW PAVELEK

Unless you've been living in a cave, you've probably heard of Dell. Based in Round Rock, Texas, less than 20 miles north of Austin, the computer giant employs more than 76,000 people worldwide. The company's innovative marketing strategies have made Dell a household name, and the company works hard to ensure its desktops, laptops and other products meet the needs of its customers. >>



JENS GRUENKEMEIER

Director of General Procurement and Global Supplier Diversity, Dell

Photographed by Beverly Guhl

The company has a long history of contracting with businesses that are owned by not only disabled veterans, but all veterans.

» In addition to its success with consumer product sales, Dell has supplied more computers to small- and medium-sized businesses than any other manufacturer in the U.S. for the past 10 years running, according to IDC's Worldwide Quarterly PC Tracker. The company ships an average of 140,000 systems per day, and every Fortune 100 company does business with Dell.

Dell also is a frontrunner in corporate America in doing business with veteran-owned suppliers. Jens Gruenkemeier, director of general procurement and global supplier diversity, oversees Dell's strategic management of indirect spend and leads the supply chain management for software and peripherals. Gruenkemeier said Dell is constantly looking for a pipeline of quality diverse suppliers that offer unique value and can scale with the company in the long term.

"As our company grew, veterans were part of the culture

driving results that supported our customers," Gruenkemeier said. "Today, it has become an integral part of our strategy going forward."

Ying McGuire, senior manager of global supplier diversity at Dell, said the company has a long history of contracting with businesses that are owned by not only disabled veterans, but all veterans.

"When I assumed the role to lead Dell's supplier diversity efforts in late 2006, we had already included veteran and disabled veteran businesses in our corporate goals for many years," McGuire said. "The military experience provides the best business training ground for our veterans. Running a business requires the same discipline, resilience, flexibility, and creativity as being successful in the military. Veteran suppliers bring unique value and solutions that help us better service our customers."



Ying McGuire
Senior Manager of Global Supplier Diversity
Dell

SEEKING OUT VETERANS

For the past two years, Dell has been proactively reaching out to identify qualified veteran businesses to partner with for both domestic and global procurement opportunities.

"I have noticed that many of the successful veteran business suppliers are role models in their communities," McGuire said. "Through our veteran supplier development, we are developing Dell advocates that help Dell grow our business."

Premier Fulfillment, a veteran-owned business headquartered in Dallas, provides electronic device lifecycle services to Dell customers and is a shining example of the mutually beneficial relationships that are created by Dell's veteran supplier program. Darryl Smith, CEO and co-owner, said lifecycle services support customer logistics and technology requirements from the time a computer, printer or other product leaves Dell's plant to when the line of products is retired.

Premier Fulfillment is owned by Smith and fellow veteran Scott Paul, president. Smith earned a bachelor's degree in economics from the U.S. Naval Academy and

served from 1988 to 1996. Paul earned a bachelor's in mechanical engineering from the U. S. Military Academy at West Point and served in the Army from 1990 to 1995. He also served with the U.S. Army Reserve from 1995 to 1998.

PREMIER PERFORMERS

Smith said Dell's supplier diversity team helped Premier Fulfillment establish, maintain and grow relationships with various Dell stakeholders and identified Dell supply chain initiatives that fit the company's capabilities.

"Working with a world class technology manufacturer like Dell has definitely made us a better company," Smith said. "Their intense focus on supply chain excellence has helped us improve our planning, inventory management, quality control and reporting processes."

Smith said Premier leveraged Dell's plant to when the line of products is retired. Premier Fulfillment is owned by Smith and fellow veteran Scott Paul, president. Smith earned a bachelor's degree in economics from the U.S. Naval Academy and



Vetpreneurs
Scott Paul, left, and Darryl Smith are co-owners of Premier Fulfillment, a firm that provides support and logistics services to Dell. Smith earned a bachelor's degree in economics from the U.S. Naval Academy and served from 1988 to 1996. Paul earned a bachelor's in mechanical engineering from the U.S. Military Academy at West Point and served in the Army from 1990 to 1995. He also served with the U.S. Army Reserve from 1995 to 1998.


»» “Dell is to be commended for their diversity efforts, particularly those targeting veterans,” Smith added. “They have hired thousands of veterans across multiple business units. We have identified and reached out to several veterans through the Naval Academy and West Point Alumni Associations, as well as online business networking tools. They have been very helpful in assisting us in navigating Dell’s organization. Additionally, Dell has been very active in working with entrepreneurial companies led by veterans like Premier. We are grateful for their support and look forward to a long and prosperous relationship with Dell.”

Gruenkemeier shared his thoughts on the state of the veterans business movement, provided advice on how to do business with companies like Dell, and offered some insight as to what the future holds for entrepreneurs.

2008 AWARDS:

- DiversityBusiness.com ranks Dell #2 on Top 50 Fortune 500 for multicultural business opportunities
- NMSDC Corporation of the Year Nominee
- WBENC Top Corporations of the Year Award
- DiversityInc Top 10 Companies for Supplier Diversity
- Billion Dollar Round Table Membership

Q&A



WITH JENS GRUENKEMEIER

Director of General Procurement and Global Supplier Diversity

er followed by corporate supplier diversity initiatives. The initiatives empowered the community that was lagging behind and created wealth and jobs in these communities. In return, corporations unleashed diverse market potential by involving diverse suppliers in the procurement process. Dell first adopted the program in the 1990s, and in the last few years, Dell has emerged as one of the leaders in the U.S. corporate supplier diversity arena. Dell has a dedicated supplier diversity team that worked with procurement teams in achieving \$2.5 billion spend with diverse suppliers in 2008.

VET: Is the supplier diversity movement about good business or entitlement?

Gruenkemeier: At Dell, we view the supplier diversity movement as more than compliance. Rather, we view it as smart business in a diverse marketplace. I believe the initiative has significant impact on Dell’s customer experience and business growth. The innovative and flexible nature of diverse businesses helps us to meet dynamic customer needs. Furthermore, diverse businesses are a growing customer group for us. Dell’s investment in diverse supplier relationships translates into loyal brand advocates and revenue growth opportunity in the emerging diverse market.

VET: How do you compare the progress of the veteran business movement to the advancement of the minority- and women-owned business movements?

Gruenkemeier: The veteran business movement, while still at an early stage compared to the advancement of the minority- and woman-owned business movement, has seen steady progress over the years. It continues to grow mainly due to more spending in federal programs and contracts targeting veteran-owned suppliers. At Dell, one of the focus areas this year is to recruit and retain qualified veteran-owned suppliers, especially in the IT service area.

VET: There has been a tremendous amount of growth in supplier diversity initiatives in the past 25 years or so. How do you assess that progress and where is it headed?

Gruenkemeier: We have made tremendous progress in the past 25 years. This was initially driven by government policy and lat-

VET: What trends do you see evolving within supplier diversity?

Gruenkemeier: Looking ahead, corporations are transforming supplier diversity from a domestic initiative into a global strategy. We need to help our diverse supplier base go global to mirror our global sourcing strategy and participate in the global marketplace. Dell is focused on a balanced approach on both domestic and global supplier development. Domestically, we have identified new opportunities for our diverse suppliers such as green initiatives and channel partner programs. Internationally, we are leading the industry supplier diversity globalization efforts.

VET: How can VOB suppliers position themselves to be successful in today’s environment?

Gruenkemeier: Being lean, fast and flexible and deliver superior product and services. By building strong partnerships to provide scalability. And, capitalize on opportunities in growing domestic and global markets. >>>

» **VET: What do you see about the VOB movement that encourages you?**

Gruenkemeier: Stronger support from corporations and the government sectors, as well as a growing pool of certified suppliers for corporations to choose from.

VET: What do you observe about the VOB movement that concerns you?

Gruenkemeier: Slow growth in global markets and limited access to training and financing options.

VET: What do we need to do to move it forward?

Gruenkemeier: Continue to focus on expanding corporate support. Look for opportunities to partner to build domestic and global presence.

VET: Where do you see the VOB movement and NaVOBA 10 years from now?

Gruenkemeier: We see NaVOBA growing its quality veteran business membership base and expanding its presence in the government and corporate sectors in the coming years, giving it a larger voice in the supply chain industry. We see NaVOBA members expanding their businesses in the global marketplace.

VET: Will VOBs be on the same level as minorities and women?

Gruenkemeier: Dell values all businesses that can help to reduce costs and provide valuable service to our customers regardless of diversity category.

VET: What common mistakes do you see VOBs making that hurts their business?

Gruenkemeier: The common business mistakes are not specific to VOBs, but to all businesses. The oversight includes not evolving their business practice to meet the ever-changing customer needs; not focusing on emerging domestic and global markets; not thinking about strategic partnerships to ensure scaling at the pace of the industry and global scope.

VET: What types of marketing efforts are essential for VOBs to be successful?

Gruenkemeier: Understand the target market and market value to the targeted customer base. Utilize supplier diversity events held by NaVOBA, SBA and cor-

porations to network with procurement decision makers.

VET: How can VOBs learn about opportunities at Dell and what you procure?

Gruenkemeier: Visit our Web site at www.dell.com/supplierdiversity to learn more about our requirements to do business with Dell. Dell sponsors and attends 30-plus outreach events each year. Meet the Dell supplier diversity team and procurement managers at these events.

Dell procures services that support a wide range of areas that include our manufacturing operations facilities, IT and consulting services, along with HR, marketing and logistics.

We introduced “Direct Talk,” which provides qualified diverse suppliers direct access to procurement managers and executives. In this forum, we share the road map for the next six to 12 months of request for quotation (RFQ) opportunities and work with the supply base to close any potential gaps to their business model. To date, 40 percent of the “Direct Talk” participants have been included in RFQs.

VET: What type of products and services do you typically procure?

Gruenkemeier: Dell procures services that support a wide range of areas that include our manufacturing operations facilities,

IT and consulting services, along with HR, marketing and logistics.

VET: What can VOBs do to successfully market themselves to corporations like Dell?

Gruenkemeier: To successfully market to Dell, VOBs must know that our company looks for the following in its diverse suppliers: Cost competitiveness, understanding of Dell’s business, proven track record and references, good financial standing, the ability to conduct business electronically, e.g. via e-mail and Internet, competitive advantage and value-added capabilities, the ability to grow with Dell and core competency in the supplier’s line of business.

VET: What initiatives do you have at Dell to ensure VOBs are involved in your procurement efforts?

Gruenkemeier: Throughout the year, Dell partners with SBA and veteran organizations to identify qualified VOBs. Dell’s recent sponsorship of NaVOBA is also part of our procurement strategy to grow supplier diversity spend.

VET: Where did Dell’s pro-veteran culture originate?

Gruenkemeier: Dell has a history of supporting veterans of our country. Many of our executive leaders are veterans. Frank Miller, the vice president of Americas Manufacturing of Dell, has recently joined NaVOBA as a member of the Corporate Advisory Council. As our company grew, veterans were part of the culture driving results that supported our customers. Today it has become an integral part of our strategy going forward.

VET: Is there anything else you’d like to say about doing business with Dell?

Gruenkemeier: A corporation like Dell is constantly looking for a pipeline of quality diverse suppliers that offers unique value and can scale with us in the long term. You do not have to grow and scale organically. My advice is that VOBs consider partnering with other diverse businesses to achieve the scalability needed to support their corporate customers. You can acquire or expand your capabilities through a win-win partnership. 