

## PROCESSES AND TOOLS FULL TRANSCRIPT

### AUDIO DESCRIPTION SCRIPT

Speaker 1: An opening sequence of titles says, "PG&E's Supply Chain Responsibility Department presents this Prime Supplier Academy Supplier Diversity Workshop, Processes and Tools." The speaker is Sheila O. Bright. She is President of TheBrightOne Consulting. Ms. Bright is a middle-aged woman with shoulder length, tightly curled dark hair and glasses. She wears black pants and top, with a turquoise jacket and a multi-stranded bulky necklace. She talks in front of an audience sitting at long tables in a carpeted conference room. Behind her is a projector screen that shows PowerPoint slides as she discusses them. A PowerPoint slide appears with the heading Smart Goals. The bullet points are highlighted in yellow as the speaker reads them. A title screen says, Important Factors Some Successful Companies Have Used to Meet Their Goals. A PowerPoint slide appears with the heading Measure What Matters. The bullet points are highlighted in yellow as the speaker reads them. The question 'Why?' appears over the speaker. A PowerPoint slide appears with the heading Supplier Diversity Metrics & Accountability Processes & Tools. The slide shows four boxes in different colors. Each box has an arrow coming out to the right with a description. The boxes are labeled smart, aligned with company goals and values, shows impact, inspiring. As she discusses each concept, relevant parts of the slide are highlighted in yellow. Next to the box that says aligned with company goals and values, a text screen pops up. It says, "Supplier diversity should be as important as revenue and risk mitigation." A semi-opaque blue screen appears over the speaker and the text reads, "Know your company's values, goals and mission." A PowerPoint slide appears with the heading PG&E's Mission, Vision and Culture. The slide shows three boxes for each one. A PowerPoint slide appears with the heading Critical Path: Corporate Dashboard. The slide shows a list of things companies measure, with the fourth item reading supplier diversity, 40% plus. A semi-opaque blue screen appears and the text reads, "Supplier diversity should be on the critical path of top company metrics." A PowerPoint slide appears with the heading Small Diverse Suppliers are Key Contributors to PG&E's Success. Four bullet points are described. They are safe, reliable, affordable, clean. As she discusses each concept, relevant parts of the slide are highlighted in yellow. A semi-opaque blue screen appears over the speaker and the text reads, "Draw a direct correlation from your mission statement to your supplier diversity results." A semi-opaque blue screen appears over the speaker and the text reads, "You have to educate your business on how important supplier diversity is to the business." A PowerPoint slide appears with the heading Rigorous Monitoring. A PowerPoint slide appears with the heading Key Results. The slide shows various types of statistics. As the speaker discusses them, they are circled in red. A PowerPoint slide appears with the heading Reliable & Affordable. The slide shows PG&E's assets and lines connecting various suppliers to these assets. Camera zooms in on them as she discusses them. The next PowerPoint slide appears on the projector screen behind the speaker. The heading reads Key Results: ROI Focus Varies. A semi-opaque blue screen appears over the speaker and the text reads, "Give your audience something that inspires them from their perspective." The next PowerPoint slide appears on the projector screen behind the speaker. The heading reads Continuous Improvement. The bullet points are highlighted in yellow as the speaker reads them. A PowerPoint slide appears. The slide has a circle graph with the largest portion of the circle colored green. A PowerPoint slide

appears with the heading PG&E Prime Supplier Academy: Embrace And Lead. The slide shows a list of tools. A semi-opaque blue screen appears over the speaker and the text reads, "Your metrics and accountability processes need to be smart, aligned, impactful, inspiring." The PGE logo fades in. The screen reads Together, Building a Better California.

## VIDEO TRANSCRIPT

Sheila Bright: So when it comes to measures, of course you're measuring against your goals. Who's heard of smart goals, right? Yes. Been around for a while and I think they're still tried and true today. The goals need to be specific. They need to detail exactly what needs to be done. They need to be measurable, they need to be achievable, they have to be realistic and they have to be timed. Important factors that some successful companies have used to meet their goals. Connected to the values, significant, inspiring. I love that. If you set a goal for 20, 30, 40% and then you exceed it, those are some inspired people. It has to drive commitment. You have to, it has to be sustainable, where people will stay committed with it. Stretch goals and stick with it. I heard him say that. I like that. Stick with it, because every goal you put out there, you're not going to hit it immediately. So all of those say that there is a why, why we do it. It's just not a number thrown up on the wall. So here's a model that I want you to kind of keep in mind, that supplier diversity metrics and accountability processes and tools, they need to be smart. They also need to be aligned with your company goals and values. Each one of your companies has its own set of goals and has your own values. Your corporate culture is a little different from everyone else. It does need to be on the critical path. Supplier diversity has to be as important as revenue, as important as risk mitigation and supply chain. It has to be on the critical path. It requires rigorous monitoring, rigorous monitoring, and you need to drive accountability and it has to be auditable. Supplier diversity metrics have to show real impact. Real impact. Reflects the business case that we just talked about, that there's a real important reason for America to grow small businesses and diverse businesses. Have to be focused on key results, not just a bunch of numbers or a eye chart, key results, and also to show impact you have to build relationships with those people that are going to help you get there, and they have to be inspiring. Gain commitment, encourage stretch goals and stick with it. So in order to have metrics that reflect your company values and top goals... You have to know what your company values and top goals are and what the mission is and supplier diversity is going to reflect those things. When you look at a corporate dashboard, I'm talking the high level, remember the eye chart that has a million different numbers? It will roll up to something like this. This is what your officers might look at when they're looking at the metrics. Okay, how's the company doing? Supplier diversity needs to be up there along with revenue and budgets and sustainability and invoice accuracy, and whatever the other key metrics are. It needs to be on the critical path. So here's an example of how PG&E shows that. I'm using PG&E because they are world-class, and if you're going to copy someone, copy someone that's the best student in the room. Small diverse suppliers are key contributors to PG&E's success. Safe, reliable, affordable, and clean. Did we hear those words somewhere? In the mission. You have to draw a direct correlation from your mission statement to your supplier diversity results, or else you

are not going to convince your leaders in the business that supplier diversity is important. It has to contribute to the bottom line. The average ISN grade for diverse suppliers is "A." All right, now you're getting an executive to listen to you. All diverse suppliers performing digging are Gold-Shovel certified. You're saying that diverse supplier is on the critical path of the business. It is supporting bottom line goals for the business. Over the past decade, 42% of PG&E's Supplier Award recipients are small or diverse. Wow, who knew? Who knew unless you tell them? You have to tell them that. You have to measure that. Affordable, 37% of reported May, 2018 year to date savings are from diverse suppliers. Wow, who knew? You have to educate your business on how important supplier diversity is to the business. More than 130 small diverse suppliers participated in the Go Green training in 2017. Supplier diversity contributes to PG&E's bottom line, and PG&E made a direct tie to that.

So, once you get your metrics, your goals, your monthly measurements, your quarterly measurements in place, you have to monitor them. You monitor them monthly, quarterly. Distribute widely to executives, to supply chain and other departments. Highlight wins, calls for action, utilize internal and external auditing services and publish results annually. I love this. This is a info graph. This is key, this is impact. 2 billion spent with diverse suppliers. Wow. 884 active diverse suppliers. Wow. Number one benchmark supply chain environmental leader among utilities. You put your most important, most impactful metrics on an info graph and I think you will go far and wide in the company and externally. Reliable & Affordable. Here is an example of impact. Again, PG&E spent over 2 billion with diverse suppliers, but the impact is over here you have Blair Church & Flynn, an engineering services company, helped save PG&E millions. That's impact. Bottom line impact. Another company, Campos, again saved the company money and brought innovation to the company, and I believe those little blue badges, they're Supplier Award winners. It's fabulous. This is a great way to show impact, a great way to show the key results, but again, what are your results tied to? To your mission, to your vision and to your corporate culture. You don't want to just throw out numbers that mean nothing to your business and your business bottom line. So key results also depend on who you're talking to, right? It varies by your audience. The return on investment for supplier diversity is determined by who you're talking to. So you need to talk to them. When you talk to them about let's do more supplier diversity, you better give them something that inspires them. What would inspire them? Show them a graph that says, "Do you know our diverse suppliers are affordable? This one saved us this much money." Business unit leaders, of course they want better business solutions, so you would share with them how is this supplier making our company better? Here's an example of a company that PG&E put in their newsletter and shows that not only did this company provide all these great solutions to PG&E, they brought sustainability with it as well. That's pretty inspiring. Again, back to the corporate goals, back to the culture of PG&E. Continuous improvement for your metrics, supplier diversity metrics, the PG&E How-To Guide, the Prime Supplier Program Guide. There's a lot of ideas there that Bob mentions, how to make your program better with each year. Replicate your biggest successes. If you have a diverse supplier that's doing fabulous, see how you can repeat that other places in the business. Upgrade your supplier diversity IT platforms. It is an investment, but maybe you are ready for that next level. Analyze your data and take action before problems emerge. You need to improve your monitoring perhaps, because again that will avoid at the end of the year, or at the end

of the quarter, or when you're filling out that form for Bob, you have to say, "Oh, we slid." If you monitor, you know what's happening and you'll be able to take some action. Launch a supplier diversity mentoring program, that'll improve the quality and the efficiencies of your diverse suppliers. So once you have, and I heard someone say this, talk about sharing and communicating what your company is doing with supplier diversity. Results communication is very important, not only internally as you're talking to your CEO and you're talking to your leaders, but externally you have a opportunity to show how diverse suppliers are helping in your business, and these are just some of the ways. A graph like this is worth its weight in gold. 99% of diverse suppliers meet or exceed the company's expectations. That's impactful. There's resources due around for you as a Prime Supplier to PG&E. Here's a list of some of them. The website is an amazing website. It has a lot of information. The Prime Supplier Program Guide, Bob's webinars of course, the Academy itself and the team. I have to say I've not interacted with a more responsive supplier diversity team or supply chain responsibility team than I have with PG&E. They are ready and willing to take your emails and your calls to say, "Hey, you know what? Look at these metrics and tell me if you think they work." Or, "Would you be interested to know this?" So to kind of wrap this up and bring this home for you, your metrics and your accountability processes for supplier diversity results need to be smart, they need to be aligned, and they need to be impactful and inspiring to make it happen.