Supplier Diversity

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Talking Points

What is Supplier Diversity?
What is the Value of Supplier Diversity?
Why is Supplier Diversity important to Microsoft?
What is the Impact of Supplier Diversity?
  ➢ Input-Output
What is the Result if we do Nothing?

Responsible Sourcing

LDC, Inc.
What is Supplier Diversity?

IS:
- Alignment between Microsoft’s Supplier Base & Microsoft Corporation’s Growth Strategy
- Strategic Sourcing Strategy that creates a “fair and equitable opportunity for all to compete for business.”
- Strategic Sourcing Strategy that delivers “Best Value”
- Regionalizes Sourcing & Impact
- Bottom Line Contributor

IS NOT:
- Workforce Diversity
- Affirmative Action
- Philanthropic or Social Responsibility Endeavor
- A Cost Burden
What is the Value of Supplier Diversity?

“Creates a positive impact in the communities we serve and ultimately the World”
Assures Access to the Opportunities Created by our Diverse Community
Shared Responsibility
Creates New Partnerships
Enhances Tier II Subcontractor Capabilities & Capacity
Regionalizes Access to Opportunities and Drives Economic Growth

Responsible Sourcing

Ahora Construction
Why is Supplier Diversity Important to Microsoft?

Microsoft Refresh Project:
• Build committed partnerships and alliances where everyone wins!
• Reinforce Supplier Diversity as a Core Procurement Value
• Stimulate divergent attention and thought thereby delivering higher value
• Create a Positive Economic Impact
• Strengthen Regional Capabilities and Economy for today and the future

At Microsoft, we apply our purchasing power to suppliers who are socially and environmentally responsible.
What is the Impact of Supplier Diversity?

Keeping it Simple: Assume $1 Billion Construction Cost

SOURCE: Washington Input-Output Model
Washington Department of Financial Management
2007 Study – Updated 2015
Input-Output has been produced since 1965

Direct Impact to our Community:
$916,439,000 in Direct Induced Output
3,865 Direct Jobs
$220,906,000 Direct Labor Contribution

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$2,125,241,000 Direct and Indirect Output
9,850 Direct and Indirect Jobs
$472,491,300 Direct and Indirect Labor Contribution
What is the Impact of Supplier Diversity?

Keeping it Simple: Assume $500 Million Wholesale Cost

Direct Impact to our Community:
- $807,507,000 in demand induced output
- 1,833 Direct Jobs
- $129,539,022 Direct Labor Contribution

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- $1,322,323,000 Direct and Indirect output
- 3,763 Direct and Indirect Jobs
- $252,963,000 Direct and Indirect Labor Contribution
What is the Impact of Supplier Diversity?

Keeping it Simple: Assume $1.5 Billion in Cost

Direct Impact to our Community:
- $2,678,919,471 in demand induced output
- 6,041 Direct Jobs
- $373,651,302 Direct Labor Contribution

$3,680,156,000 Direct and Indirect output
- 13,344 Direct and Indirect Jobs
- $687,237,300 Direct and Indirect Labor Contribution
What is the Result if we do Nothing?
Status Quo!
Thank You