



PACESETTERS

A Program of the Greater Boston
Chamber of Commerce

**ANNUAL DATA REPORT
CALENDAR YEAR 2021**

SPONSORED BY:





SPONSORED BY:



A Program of the Greater Boston
Chamber of Commerce

PACESSETTERS TRIPLE SPEND WITH LOCAL MBES

Dear Greater Boston Chamber of Commerce Members,

We are pleased to share that Pacesetters increased their spend with local businesses of color by **\$99.4 million**, a **222%** increase year over year, and increased spend with statewide businesses of color by **\$23 million**. Utilizing equitable and innovative procurement best practices, Pacesetters tripled their spend with local businesses of color in 2021. As the business community continues to answer the call to action – affirming commitment with meaningful change – we must continue this momentum of increased spend at the local, state, and national levels.

To recognize the significant strides in supplier diversity, the Chamber launched the inaugural Pacesetters Awards to recognize innovative and persistent best practices. Join us in applauding the individuals and companies that are advancing equitable procurement:

2022 Pacesetters Awards Winners

Champion of the Year

Meredith Whalen, Chief Purchasing Agent, Gilbane Construction

Company of the Year

Blue Cross Blue Shield of Massachusetts

Deal of the Year

Gilbane Construction & Janey Construction Management

This report also includes features of some of the Pacesetters, including their best practices and transformative partnerships that advance supplier diversity. As we spotlight these companies that are serving as successful leaders in equitable procurement, we urge businesses throughout the Commonwealth to adopt these strategies to help move the needle.

The Chamber remains committed to economic inclusion and transformative equity. The business community must continue to champion and create an inclusive economy. With the Pacesetters initiative, our collective efforts to close the racial wealth gap continue to gain momentum with strategic and intentional action. Accountability is a key success factor for the initiative, and Pacesetters will continue to submit their annual spend with businesses of color to track the initiative's progress. The entire business community should track their company's spend with businesses of color, set goals, and share their progress to transform the Commonwealth.

As we celebrate the Pacesetters initiative's progress together, the business community must also recommit to leading and championing an inclusive economy that is built with more transformative partnerships, more deals, and more mentorship.

A handwritten signature in black ink that reads 'James E. Rooney'.

James E. Rooney
President and CEO

PACESETTERS

SPONSORED BY:

A Program of the Greater Boston
Chamber of Commerce



PARTICIPATING PACESETTERS CORPORATIONS



BUSINESS ASSOCIATION PARTNERS



2021 PACESETTERS DATA

In 2021, the 41 respondents spent **\$149.2 million** locally, **\$203.6 million** statewide, and **\$6.0 billion** nationally with businesses of color.

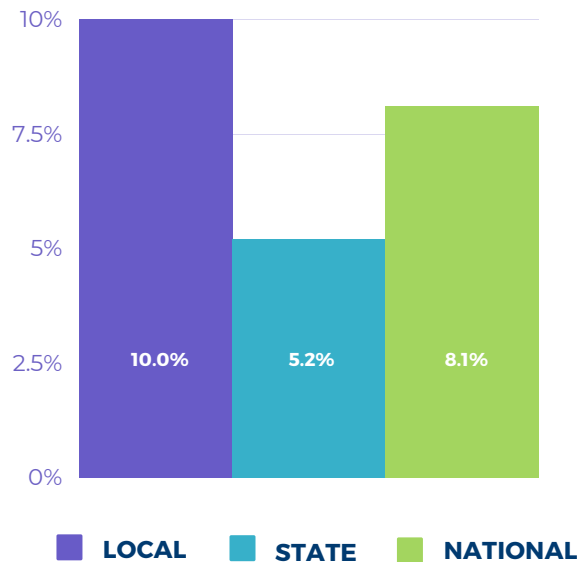
10.0% of Pacesetters' local spend went to businesses of color, **5.2%** of their state spend went to businesses of color, and **8.1%** of national spend went to businesses of color.

Spend with MBEs (\$)

Region	2021
Local	\$149.2 Million
State	\$203.6 Million
National	\$6.0 Billion

Please see the Methodology section of this report for details on the data collection process.

Average Percentage Spend with MBEs



Tom Browne, Senior Director of Economic Inclusion, presents Pacesetters 2021 data to Chamber members.

YEAR OVER YEAR ANALYSIS

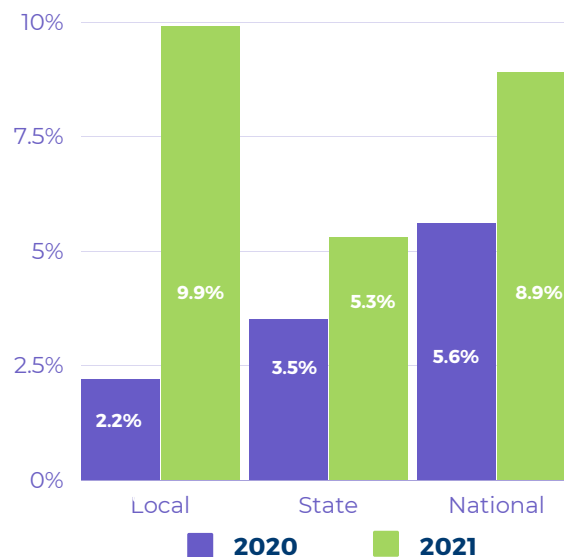
Answering the call to action at the beginning of the most recent racial reckoning, Pacesetters utilized equitable best practices to achieve heightened levels of spend, especially at the local level where spend with businesses of color tripled. This substantial increase in spend marks a significant milestone as the Pacesetters move closer to achieving their goal: 10% statewide spend with businesses of color.

Pacesetters increased their spend with local businesses of color by **\$99.4 million**, a **222%** increase year over year, and increased spend with statewide businesses of color by **\$23 million**. As Pacesetters increased spend locally, there was a decrease in spend with national businesses of color of **\$500 million**.

Spend with MBEs in 2020 vs. 2021

Region	2020	2021	Change (\$)	Change (%)
Local	\$44.7 Million	\$144.1 Million	\$99.4 Million	222.4%
State	\$169.6 Million	\$192.3 Million	\$22.7 Million	13.4%
National	\$6.4 Billion	\$5.9 Billion	(\$500.0) Million	-7.8%

Average Percentage Spend with MBEs - 2020 vs. 2021



*Comparisons between 2021 vs. 2020 spending only include Pacesetters involved in the initiative in both calendar years 2020 and 2021.

Please see the Methodology section of this report for details on the data collection process.

STORIES BEHIND THE NUMBERS – HOW PACESSETTERS ARE INCREASING SPEND WITH MBES

Eastern Bank

Eastern Bank is committed to increasing its spend with diverse vendors and believes that everyone at Eastern Bank can help with achieving this goal. As part of their procurement commitment, which they continually seek to improve upon, they:

- ▶ Implemented a Diverse Supplier Registration Portal that allows diverse suppliers to register with Eastern Bank for current and future business opportunities.
- ▶ Require at least one diverse vendor for all contracts over \$75,000.
- ▶ Hold quarterly meetings with every division in the bank that also has specific supplier diversity goals on how to increase diverse suppliers.
- ▶ Partnered with WB Mason to put diverse owned business icons on their website so employees can choose products from diverse owned businesses.
- ▶ Host diversity and inclusion trainings including unconscious bias for employees and understanding social identity.

These efforts have led to the overall success of the Supplier Diversity program and helped increase their diverse spend year over year.

Fidelity Investments

Fidelity is playing a major role in funding the rebuild of the World Trade Center & Pier. They have made commitments to utilize diverse owned sub-contractors for both the core project and the interior build out. To date Fidelity has awarded millions of dollars of contracts to diverse owned businesses in this project, either through direct contracts, sub-contracts, or joint ventures.



Greylock Federal Credit Union

In 2021, Greylock Federal Credit Union and Elegant Stitches of Pittsfield entered into a unique and industry-leading supplier contract aimed at providing minority-owned businesses an opportunity to grow and compete in the business-to-business marketplace.

- ▶ The multi-year agreement has a guaranteed minimum spend and a clause guaranteeing Elegant Stitches income, regardless of whether Greylock's purchase orders meet the agreed upon amount.
- ▶ This allows Elegant Stitches to forecast its sales and make appropriate investments to meet contract obligations. This financial security will give them the ability to focus on growth.
- ▶ In return, Greylock is guaranteed that their preferred vendor has the capacity and stability to meet their demands for years to come.
- ▶ The agreement is part of Greylock's long-term commitment to supplier diversity and inclusive purchasing practices.



From left to right: John Bissell, President & CEO, Greylock Federal Credit Union, Alfred Enchill, Founder & CEO, Elegant Stitches, Auric Enchill, Sales Manager, Elegant Stitches, and JamieEllen Moncecchi, SVP & Chief Administration Officer, Greylock Federal Credit Union

John Hancock

In 2021, John Hancock recognized the importance of having a leading Supplier Diversity program aligning with the company's values of Share Your Humanity and Do the Right Thing. As part of their investment in supplier diversity, they:

- ▶ Dedicated a full-time staff member supported by procurement category managers to focus on supplier diversity.
- ▶ Made Supplier Diversity a part of category management's performance objectives and highlighted this in their Global Procurement Policy.
- ▶ Built the supplier diversity program into Procurement's overall strategy.
- ▶ Increased their budget to match what was needed to support expansion of the program.

As a result, John Hancock's 2021 Procurement spend with diverse suppliers showed almost a 2.5% increase from 2019 and is on track to reach their target goal by 2024.

Mass General Brigham

Mass General Brigham through Supplier Diversity and its United Against Racism initiative continues to address the need to focus on the community and the patients' experience. They believe that the way to engaging local, diverse suppliers is through being intentional and considering traditional and nontraditional methods of doing business.

- ▶ In December 2020 Mass General Brigham partnered with DPV Transportation to distribute essential supplies to vulnerable communities. This partnership continues today, and DPV shuttles are used to provide these services in Boston, Roxbury, Dorchester, Chelsea, Revere, Charlestown, and other local communities.
- ▶ In 2021, Mass General Brigham partnered with a local minority business Fresh Food Generation to provide fresh fruits and vegetables to residents of the community. This strategic relationship offers healthier options to vulnerable populations.
- ▶ In 2021, Mass General Brigham partnered with TWT, a distributor of ethnic products, to provide ethnic hair and skin products in their hospitals and gift shops for BIPOC patients.



P&G Gillette

P&G has been active and vocal in driving supplier diversity for equality. Every year since 2008, P&G has spent more than \$2 billion with diverse-owned businesses globally. While equality and inclusion have long been integrated into P&G's buying principles, the company is accelerating its supplier diversity efforts.

- ▶ In 2021, P&G increased its global diverse spend target from \$3 billion to \$5 billion annually by 2030.
- ▶ The company continues to add diverse companies to its supply base and helps its primary suppliers diversify their own supply networks in the U.S.
- ▶ P&G was also a founding member of the Pacesetters initiative. Through this initiative, P&G has invested in new suppliers like City Sealcoating, a local minority-owned paving contractor, which has seen its P&G business grow exponentially.

University of Massachusetts

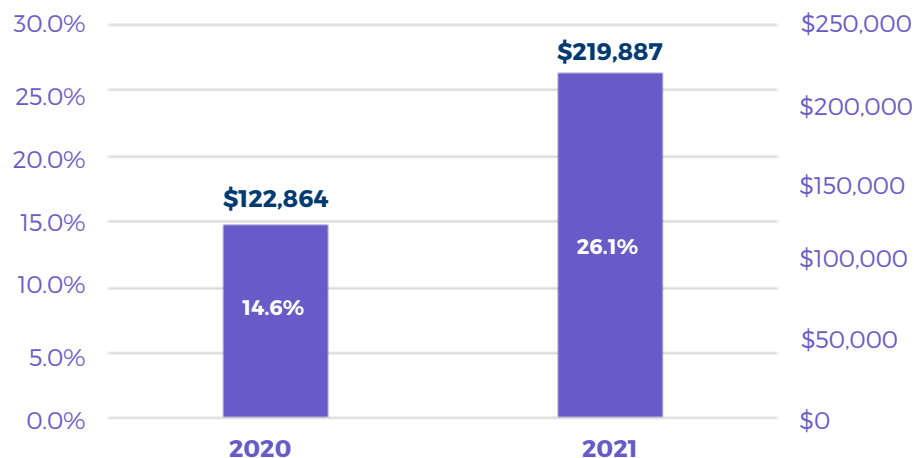
In 2021, University of Massachusetts increased spend with MBEs from 2.3% to 3.4% (48% year over year change) and their overall diverse spend with MBEs, women-owned businesses, LGBT owned businesses and veteran owned businesses was 6.4%.



Greater Boston Chamber of Commerce

Since creating the Pacesetters initiative in 2018, the Greater Boston Chamber of Commerce has been intentional about increasing its own diverse spend year over year, particularly with local MBEs. In 2021 the Chamber almost doubled its spend compared to the previous year.

GBCC Spend with Local MBEs (\$ and % of Spend)



A SPOTLIGHT ON OUR 2022 PACSETTERS AWARDS WINNERS

Champion of the Year – Meredith Whalen

As an eleven-year industry professional, Meredith Whalen is a champion of minority, disadvantaged businesses, and workforce development, and is committed to and responsible for promoting supplier diversity and economic inclusion on Gilbane projects in Massachusetts. She works to provide equal opportunity to all certified trade contractors and vendors through training and outreach initiatives. As chief purchasing agent, Meredith generates diverse and equitable buy-out plans for each project in the region, all while engaging junior staff as a trusted mentor and providing guidance on how best to support inclusive business practices in the contractor community. Meredith also matches Gilbane personnel and executives with diverse firms, based on experience and expertise, so the firm has a Gilbane champion/mentor to provide input on both successful and unsuccessful bids.



From left to right:
Daylana Ervin-Parker of Blue Cross Blue Shield of MA,
Eurick Dorsett of Janey Construction Management, and
Meredith Whalen of Gilbane Building Company

Company of the Year - Blue Cross Blue Shield of Massachusetts

For 20 years, Blue Cross Blue Shield of Massachusetts' supplier diversity program has been a critical component of the company's business success as well as a cornerstone of their community and diversity efforts. On average, Blue Cross Blue Shield of Massachusetts has met or exceeded its diversity spend goal of 8%-10% of overall procurement spending over the past three years. In 2021, the Company proudly partnered with 22 MBEs. In 2021, Blue Cross Blue Shield of Massachusetts remained steadfast in its commitment to MBEs and other diverse businesses despite the on-going challenges of the COVID-19 pandemic. They were able to create establish business relationships and entered contracts with four new MBEs that specialize in virtual event management services, health care management solutions focused on risk adjustment, and legal services.

Deal of the Year - Janey Construction Management and Gilbane Building Company

In 2014, Gilbane Building Company and Janey Construction Management forged "Mentor- Protégé" partnership. Created with the intent of providing developmental assistance to enhance Janey's business and technical capabilities to manage increasingly complex projects, this partnership also benefits local communities by employing skilled Boston residents. The relationship between Gilbane and Janey Co. is focused on comprehensive training and measurable objectives across the business and technical aspects of construction management at-risk. This hands-on experience has provided the opportunity for education and training for young and emerging leaders for both firms. Through it, the Gilbane team is able to benefit from project teams with varied experiences, different perspectives, and more diversity, while Janey benefits from the relationship with a larger firm and having the opportunity to work on unique and large-scale projects.

METHODOLOGY

- ▶ Pacesetters are different sizes and represent multiple industries, including finance, insurance, professional services, construction, manufacturing, health, education, and entertainment to name just a selection.
- ▶ While we can calculate a percentage of spending with MBEs, it should be noted that this number reflects the average percentage of spending with MBEs.
- ▶ The Chamber partnered with KPMG to collect Pacesetters data through an anonymous survey.
- ▶ The Chamber does not have access to data on individual company performance.
- ▶ Comparisons between 2020 vs. 2021 spending only include Pacesetters involved in the initiative in both calendar years 2020 and 2021.
- ▶ Between the 2020 and 2021 data collection, one corporate buyer left the Pacesetters network and six corporate buyers joined, taking the total to 37 corporate buyers and 7 business association partners.
- ▶ Two corporate buyers and one business association partner did not participate in the 2021 data collection process.

DATA DEFINITIONS

- ▶ Spend: Throughout the report, addressable spend is referred to as spend. Addressable spend is any purchase of a service or product, including contracts and credit card transactions. Addressable spend does not include salaries, taxes, and other expenses that are not procurable goods or services.
- ▶ Local (also known as Greater Boston): Vendors located within the Route 128 belt.
- ▶ State: Vendors located in Massachusetts (within and outside the Route 128 belt).
- ▶ National: Vendors located in the US (within and outside of Massachusetts).

CONTACT US

If you would like to learn more about the Pacesetters initiative or to join the network, contact the Economic Inclusion Team by email and sign up to our newsletter.

For media inquiries, contact Casey Baines at cbaines@bostonchamber.com.



Tom Browne
SENIOR DIRECTOR, ECONOMIC INCLUSION



Amber Haskell
DIRECTOR, ECONOMIC INCLUSION