

The Power of Supplier Diversity

An Interview with Terrez Thompson,
Vice President-Global Supplier Diversity, The Coca-Cola Company

EDITORS' NOTE In 2012, The Coca-Cola Company named Terrez Thompson as its new Vice President of Global Supplier Diversity. A respected Coca-Cola leader, Thompson has held roles of increasing responsibility within the company for more than 25 years, including Executive Assistant to the President of the Africa Group, Controller of The Coca-Cola Trading Company, and company liaison in national and international communication arenas such as the World Economic Forum, the Prince of Wales Business Leaders Forum, and the International Chamber of Commerce.



Terrez Thompson

COMPANY BRIEF As the world's largest beverage company, The Coca-Cola Company (www.thecoca-colacompany.com) refreshes consumers with more than 500 sparkling and still brands. Led by Coca-Cola, the world's most valuable brand, the company's portfolio features 15 billion-dollar brands including Diet Coke, Fanta, Sprite, Coca-Cola Zero, vitaminwater, Powerade, Minute Maid, Simply, and Georgia. Through the world's largest beverage distribution system, consumers in nearly 200 countries enjoy the company's beverages at a rate of 1.7 billion servings a day.

Would you provide an overview of the Supplier Diversity function at Coca-Cola and the role it plays within the organization?

Supplier Diversity is a key component of our overall diversity strategy and a key business imperative for The Coca-Cola Company. We are re-defining how we address diversity and building a 21st century model that will serve as the framework for operating in a multicultural business environment. We are moving beyond the perception of entitlements to embracing Supplier Diversity as an empowerment vehicle to be deployed throughout the communities we serve. With the endorsement of our top leadership, our commitment to Supplier Diversity is firmly embedded throughout the organization and has been placed at the forefront of our operations. We have communicated to our managers and prime suppliers what is expected and they are held accountable for meeting clearly defined goals. All of our initiatives are strategically aligned with the company's business objectives. We plan to continue to grow our spend with diverse suppliers and to emphasize to our external and internal constituents that Supplier Diversity is a key component of true diversity.

How is Supplier Diversity a major element of Coca-Cola's long-term growth strategy?

The world is shrinking as diverse populations are expanding. By all projections, the minority is quickly becoming the majority, leading to a balance of demographic representation across the business landscape. By 2020, hundreds of millions of citizens from emerging economies of the world will choose America as the place to live and work. Right now, women and minorities represent the fastest growth in the

consumer base and make a major contribution to our revenue stream. One of our major initiatives is the 5x20 global commitment to enable economic empowerment of five million women entrepreneurs across the company's value chain by 2020. Our company understands that in order to compete and succeed in a multifaceted, multicultural, and diverse environment, we must have inclusion from every ethnicity, race, and gender. In this regard, Supplier Diversity is a global imperative. We fully expect 5x20 to amplify the global focus of Supplier Diversity to new levels.

Would you highlight your efforts to maximize procurement opportunities with diverse businesses?

We made Supplier Diversity a priority in 2001 when we made a commitment to spend \$800 million with minority- and women-owned businesses over a five-year period. With a concerted and focused approach, we exceeded that goal by spending \$1 billion over that period. Next, we set our sights on expanding those efforts. By 2009, we had increased our diverse spend by nearly 700 percent. Our cumulative diversity spend for 2011 was \$766 million. We are committed by 2020, and possibly before that, to reach \$1 billion in first-tier spend in a single year. Each year, we have strengthened our resolve and our commitment to Supplier Diversity.

How critical is it to integrate Supplier Diversity efforts with all of Coca-Cola's vast business systems?

Coca-Cola is a global brand with 20 million customer outlets around the world, representing five operating units in Eurasia-Africa, Europe, North America, Latin America, and the Pacific. Our efforts must be aligned for maximum impact. Supplier Diversity differs in each location according to its own unique governmental, cultural, and economic differences. When we understand

those differences, we can direct our efforts to reflect the individual needs of each country where we operate. Experience teaches us that our business is only as healthy as the communities in which we operate, so we must strive to make a difference in many areas, and especially those that intersect with our business. For example, studies have demonstrated a strong correlation between increased gender equality and per capita gross domestic product. Our investment in the financial stability of women strengthens entire communities and boosts local economies.

What role does Supplier Diversity play in Coca-Cola's 2020 Vision?

Our Chairman and CEO, Muhtar Kent, created our long-term strategic plan – called the 2020 Vision – which is a master plan for building our global brand. Serving as our compass for the next eight years, the plan calls for us to more than double our system's revenue by the end of the decade. The 5x20 Initiative I spoke of earlier is a major component of the 2020 Vision, directly addressing the small businesses the company works with in more than 200 countries around the world. Through this effort, we are collaborating with non-government organizations, governments, and businesses to break down economic and social barriers that stand in the way of women's financial success, because women have proven to be the best investment to spur economic growth and foster sustainable development. The 5x20 Initiative clearly defines women as critical to our business success and to our 2020 Vision, and it serves as an inspiration for our Supplier Diversity efforts around the globe.

There are senior women leaders at all levels of the Coca-Cola organization. How has the company been so successful in recruiting that talent?

In 2007, the company launched its Global Women's Initiative, which is the "global thread" of our overall diversity efforts. This is a business priority that cuts across the more than 200 countries in which we operate. To best focus the company on this objective, a global Women's Leadership Council (WLC) was developed, composed of 17 influential, passionate female executives from across our global business. The role of the WLC is to develop recommendations and advise senior management on global strategy, initiatives, and metrics in pursuit of its stated objective of advancing female leadership. Since its creation, the Women's Leadership Council has conducted meetings at company locations across the globe, working to bring in-person awareness, understanding, support, and influence to local business units. ●