



J.P.Morgan

GET CONNECTED

How Certification as a Diverse-Owned Business Opens Doors of Opportunity



INTRODUCTION

It's Your Time to Get Connected

Every business is in the relationship business. With the right connections, your company can develop new ideas, avoid common mistakes and uncover emerging opportunities. And if you're personally connected to buyers and sourcing agents, they're more likely to meet with you or even call you when they have a problem you might be able to solve.

Diverse-owned businesses are companies that are at least 51% owned and operated by members of historically underrepresented groups, including ethnic minorities, women, veterans, members of the LGBT community and people with disabilities.

Today, tens of thousands of diverse-owned businesses like yours are making new connections—with each other and with the hundreds of U.S. companies representing hundreds of billions of dollars in sourcing. These businesses are building networks of opportunity because they're certified by internationally recognized diversity certification organizations. Certification opens doors—to board rooms, corner offices, warehouses and thousands of other places where diverse-owned businesses have been shut out in the past.

Now is a great time to get certified as a diverse-owned business. Let us show you how to get started.

What's the Billion Dollar Roundtable?

The Billion Dollar Roundtable is an organization made up of 28 companies that spend at least \$1 billion annually with minority-, women-, veteran-, and LGBT-owned suppliers, as well as suppliers owned by people with disabilities. These companies are leading from the front, showing that big pledges are not only possible but also smart business. Today, BDR companies spend more than \$83 billion per year with diverse-owned companies.



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Why Certify?

Many opportunities are available exclusively to certified diverse-owned businesses. Certification shows potential customers that your business is diverse, stable, and ready to grow. So, when you certify, you're investing in your business. Similar to when you apply for a loan, the time you spend now collecting documents and meeting with people can pay off for years to come.

Business Opportunities

Top corporate purchasing agents are looking for diverse-owned businesses like yours. With certification, your business is entered into a searchable national database where potential customers go regularly to find companies that can meet both their business needs and their diversity goals. If your business is not certified, then it will be invisible to top corporate purchasers looking for qualified diverse-owned businesses.

Access to Supplier Diversity Programs

Many companies make an intentional effort to work with diverse-owned suppliers. Some have created supplier diversity programs that cultivate relationships with businesses like yours and provide informational sessions on how the company approaches procurement. The programs may also offer networking events, business management seminars and more. Most importantly, when you enter a supplier diversity program, companies will be more likely to consider you when a new need that fits your business comes up.

Access to Capital

Certification can give your company more opportunities for financing through banks, venture capital firms and more. Plus, many networks have dedicated pools of capital for diverse-owned businesses. Certified diverse-owned businesses can also improve their chances of receiving special grants or loans through Community Development Financial Institutions.

Referral Opportunities

Networks are powerful. Each of your contacts knows hundreds of people you don't. By entering one of the certification networks, you open up new opportunities. Not only can you make an impression with the people you work for, but you can also gain referrals. Sourcing agents ask each other for recommendations, especially in diverse-supplier circles. When you certify, you create another way for your name to get out there and for your ideal customers to find you.

Meaningful Support

Certification organizations are invested in your success. They often provide education sessions, training, networking events and programs that can enhance your opportunities for connections and growth. And because many of the certification organizations have local chapters, many of the resources you have access to are local and personalized to your region.



TIP As a certified diverse-owned supplier, you're not only on companies' lists, but potential customers are also on yours. You can reach out directly to corporate supplier diversity teams to ask questions and explore opportunities. You can also contact businesses like yours to explore opportunities to collaborate.

What Are Your Options?

There are many ways your company can become certified as a diverse-owned business. Each certification is designed for a specific historically underrepresented group. In this guide, we've highlighted a few of the most recognized supplier diversity certifications in the U.S.



How Are Corporate and Government Diverse Certification Different?

Corporate and government diversity certifications are not the same. Governments across the U.S. run their own diversity certification programs. Government certifications are designed to help diverse-owned businesses get contracts with city, state or federal government departments. However, a government-issued certification will not give you access to the same corporate business networks and resources. To open up opportunities in the private sector, you'll want to get one of the certifications outlined in this guide.

Minority Business Enterprise

National Minority Supplier Development Council

One of the largest and most widely recognized diversity certifications is the Minority Business Enterprise (MBE) Certification issued by the National Minority Supplier Development Council (NMSDC). The nonprofit brings more than 12,000 MBEs, nearly 1,500 corporate members and 23 affiliate regional councils together into one network. NMSDC also offers education courses, hosts networking events and opportunity fairs, and connects MBEs to investors and sources of capital. Local chapters offer services and events to MBEs.

To qualify as an MBE, more than half your business must be owned and run by people who are at least one-quarter Asian, Pacific Islander, Black, Latinx or Native American. The MBE certification process can take up to 90 days. In addition to proof of ethnicity, you'll need to submit business documents including two years of federal tax returns, a profit and loss (P&L) statement, a cash flow statement and a balance sheet.

Once your paperwork has been submitted for review, you'll work with a regional affiliate to complete the final steps. The regional team will verify application details and visit you on-site. Once they have all the information they need, the national board of directors will vote to certify your business as an MBE. Fees can range from a few hundred dollars to \$1,500 depending on your region and business size.

For more information on how to apply, visit nmsdc.org/mbes/mbe-certification/.



TIP Gather all your documents before you begin your application. The process will go more smoothly with everything you need in hand.



Women's Business Enterprise

Women's Business Enterprise National Council

The Women's Business Enterprise National Council (WBENC) provides the most widely recognized certification for women-owned businesses in the U.S. The Women's Business Enterprise (WBE) network includes more than 16,000 WBEs, more than 1,000 corporate members and 14 regional partner organizations. The WBENC also offers executive coaching, networking events, pitch training, scholarships, grants and more.

To qualify as a WBE, your business needs to be at least 51% owned, controlled, operated and managed by women. The certification process is similar to that for the NMSDC's and can take up to 90 days. After you prepare the necessary documents—including your tax returns, P&L statement and balance sheet—and submit your application online, a regional partner will review your application and visit your headquarters. Businesses that meet the definition and requirements to become a WBE are approved and notified by the regional partner. Certification fees range from \$350 to \$1,250 depending on the size of your business.

For more information on how to apply visit: wbenc.org/certification/.



Certified LGBT Business Enterprise

National LGBT Chamber of Commerce

The National LGBT Chamber of Commerce (NGLCC) is a U.S.-based advocacy organization dedicated to expanding economic opportunities for the LGBT business community. In addition to its advocacy work, the NGLCC certifies LGBT-owned businesses to participate in corporate diversity programs. Certified businesses are also invited to NGLCC networking events, executive management training and funding programs.

To qualify as a Certified LGBT Business Enterprise (Certified LGBTBE) company, your business must be at least 51% owned, operated, managed and controlled by an LGBT person or persons who are either U.S. citizens or lawful permanent residents. Like other certifications, the application process takes 60 to 90 days; requires your tax returns, a P&L statement and other documents; and includes a site visit. NGLCC waives the \$400 certification fee and \$200 recertification fee for applicants who submit proof of valid, current membership with their local affiliate LGBT chamber of commerce.

For more information on how to apply visit: nlgcc.org/get-certified.



Disability-Owned Business Enterprise

Disability:IN

Disability:IN is a nonprofit resource for business disability inclusion worldwide. Its Disability-Owned Business Enterprise (DOBE) certification helps connect businesses owned by people with disabilities to supply chains around the world. Disability:IN also connects certified businesses with opportunities, plus exclusive information and resources.

To qualify as a DOBE, your company must be a for-profit business that is at least 51% owned, managed and controlled by a person with a disability. The DOBE certification process can take from 60 to 90 days, and applicants must submit business documents such as federal tax returns, a P&L statement, a cash flow statement and a balance sheet. The certification fee is \$300 for all businesses.

For more information on how to apply visit:
disabilityin.org/what-we-do/supplier-diversity/get-certified/.



Veteran Owned Business

National Veteran Business Development Council

The National Veteran Business Development Council (NVBDC) is a nonprofit developed by veterans, for veterans. The organization's primary purpose is to provide a credible and reliable certification process to help military veterans access supplier diversity managers.

To qualify as a Veteran Owned Business (VOB), 51% or more of your business must be owned by a veteran or veterans who have each served at least 180 days on active duty and were honorably discharged. The national NVBDC office runs the VOB certification process, which takes about 90 days. Applicants need to submit business documents such as federal tax returns, a P&L statement, a cash flow statement and a balance sheet. Veteran-owned businesses that have already earned certification through the NMSDC, the WBENC or the NGLCC qualify for FASTRACK certification and can earn VOB certification in just 30 days. Certification fees range from \$350 to \$2,500, depending on the size of your business.

For more information on how to apply visit:
nvbdc.org/certification-landing-page/.



TIP If you or other owners of your business identify with more than one group, you can multiply your opportunities to make connections by gaining two or more certifications.



Join In and Get Connected

As a diverse-owned business, you can tap into a big—and growing—opportunity to become a supplier for Fortune 500 companies. The first step is certification.

Choose the certification program designed specifically for businesses like yours. In just 90 days, you can open the door to new relationships, promising business leads and a network to help you learn and grow.

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