



Turning the Tide... Supplier Diversity Then and Now

INDUSTRY SPOTLIGHT

BY

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John Vazquez, Senior Vice President of Global Real Estate and Global Supply Chain at Verizon.



Pay Wu, President of MWBE Unite

InSite engages two real estate industry pioneers—Pay Wu, President of MWBE Unite, and John Vazquez, former Verizon real estate executive and MWBE Unite Board Director—in conversation about supplier diversity, THEN and NOW.

John Vazquez recently retired from his transformational role as Senior Vice President of Global Real Estate and Global Supply Chain at Verizon. John is an executive with a stellar record in executing supply chain and real estate innovation at scale for major corporations like JPMC, MetLife, and Verizon. Under his leadership, Verizon achieved its 40% goal of diverse supplier spending year over year. He is also a former Board Member of NMSDC (National Minority Supplier Development Council).

Pay Wu is the President of MWBE Unite, the one-stop-shop for diverse suppliers in commercial real estate. Incubated by JRT Realty Group, MWBE Unite is a standalone CRE platform supplier that will pave the way for 100 percent Minority and

Women participation, offering services that include strategic program management, Environmental, Social, and Governance (ESG) advisory, social impact construction, development and management, and property technologies. “That’s the vision. That’s the focus. That’s the sole mission,” says Wu, “to advance supplier diversity and workforce diversity in commercial real estate.”

PW: I’m so pleased that John joined us for a conversation about this important topic for the industry. John is an executive with years of focus on supplier diversity and has executed with excellence. The reason MWBE Unite exists has everything to do with the challenges we have both seen.

JV: This conversation is about supplier diversity, THEN and NOW. Even though it was a long time ago, it really wasn't that far away from reality. Everything I learned about supply diversity I learned from Harvey Butler, back when we were both at Chase. (He is currently Global Head of Supplier Diversity at Barclays). We had some amazing corporate goals around getting diverse suppliers.

PW: We're in this unique moment right now where everybody wants the same thing, more diversity. But when you start to operationalize it, there are challenges—many hurdles to overcome for diverse suppliers to engage, and hurdles for diverse employees to advance and operate at that next level.

John, what was it like THEN—however you want to define THEN—and where is it going in the future? You have been with many major companies executing large-scale developments, buildings, and construction. What have been some of the challenges for supplier diversity?

JV: The challenge with engaging diverse suppliers is that access to opportunities was always backward-looking. Companies have a tendency to evaluate and use the same suppliers. Who did it before? Who did it well? Use them again. Who did it poorly? Never use them again. The decision was based upon a no-failure track record. Everything was about guaranteed success.

Diverse suppliers were not in a place to be able to learn. Women-owned businesses were almost non-existent from an experience perspective. There were also stigmas attached to supplier diversity. Diverse suppliers were thought to be riskier, less

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experienced, and lacking the financial wherewithal to pursue or play with the big companies, but many of these perceptions were not true. Other small, non-diverse firms that were engaged in the real estate community all of the time did not have these same hurdles, mostly because of who they knew and who made the introduction.

So THEN it was about who you knew and how you got the job. That's not implying things were rigged. That's just saying that the group that was invited to play was predetermined, nothing to do with looking at actual experience but based on relationships built out of a successful track record.

When you look at the NOW—and this is the fundamental difference—it's about making sure you are working with qualified companies who may not have had the opportunity and deserve it. That's a marked change from where we were before.

PW: If you start with the fact that companies have been vetted and that they are qualified, what we're talking about is making sure they are aware of the opportunities and that they have a way to plug in to engage and bid for that work.

JV: And how can we—as companies and as individuals in these large

corporations—teach and mentor them to be successful? The THEN was, “They might fail, so I’m not using them.” The NOW is, “They need to succeed, how do I make that happen?” It’s a very different position going forward. Diverse suppliers are not inherently riskier—the key is did they have the opportunity? Did you mentor them? Can you guide them through and really level the playing field for them to be able to participate in that space? That’s a heavy lift, and that is exactly what you’re focused on right now, Pay.

JV: You can’t solve the problem across all industries, but I think the real estate industry actually is the most accepting of diverse suppliers, and it’s driven the highest percentage of participation given real opportunity. Because either you can do it or you can’t. The bias that existed before just never gave anyone the opportunity to play.

We have to teach and mentor not only the suppliers, but also the corporations, who need to be educated as to what’s possible,



PW: John, you make some compelling points. It takes deliberate focus, which is what you did at Verizon with setting targets and partnering with companies like Cushman & Wakefield to make sure these diverse suppliers are actually getting the right coaching. At MWBE Unite we want to make sure that there are enough mature diverse providers, and that we surround those firms with the right partners in other disciplines so they are able to achieve the outcome the client is expecting. Ultimately, we’re looking to build a platform where quality is never a question.

what’s fair, and what’s equitable. That’s the big change I see going on right now in the industry. People are buying into the diversity of thought and diversity of experience and it’s probably teaching them a lot more about the industry than they knew before.

PW: To your point, back THEN you had to have a conversation around the “why.” But NOW, because of all the social equity conversations, we’re in this unique window where the “why” is established. The business case around diversity is proven. Diverse boards make better decisions, diverse leadership leads more profitable businesses, and diverse teams are more creative.

I love the fact that we are both in our next chapter and can partner on this together. I'm one of the few people who has seen multiple sides of the fence in a decision-making role where I can take some of those learnings and create a think-tank-level focus on this topic to pollinate back into the ecosystem.

JV: Supplier diversity is a real goal and something that needs to happen. Will it take time? Yes, because you are changing the dynamic of contracts and relationships—which is not easy to do. But I think people are willing to make those changes and understand that we have to work together to make it happen, and perhaps use the incumbent as the mentor to the diverse companies and find a way to work together.

PW: Diverse suppliers can partner with legacy firms to meet the diversity requirements that clients are looking for, to meet client-mandated or allocation goals. Moving the diversity needle will need the entire industry to lean in. Diverse businesses can partner to operate at the caliber and quality that is expected. One diverse firm may not do it alone, but by creating syndicated teams (partnerships of two firms, for example, supported by services, diverse firms can bid for bigger opportunities).

JV: I think of the value chain as awareness, engagement, inclusion, and then you have success.

PW: When you're hyper-focused as a purpose-driven organization and draw on like great people, John, with all of your expertise, and other platform executives who have agreed to come on as advisors, the world is wide open. We're pulling from the right expertise and the smartest people to improve on an industry challenge.

If you need help with your ESG & DEI goals, please reach out to info@MWBEUnite.com

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