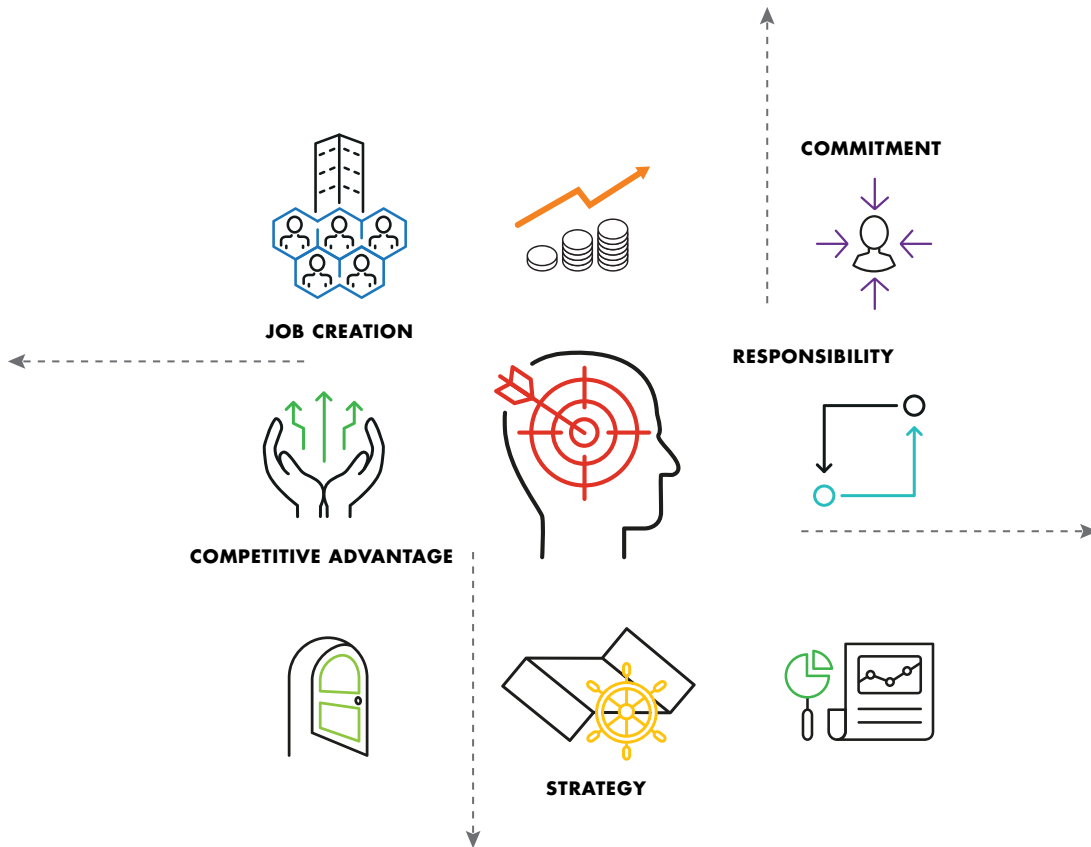


CHICAGO UNITED

# FIVE FORWARD

● ● ● ● ● 20/20

## An Inclusive Vision to Ignite Job Creation



FUELING JOB CREATION THROUGH MINORITY  
BUSINESS DEVELOPMENT

“Every CEO in this city can select five local MBEs to do business with for five years and move them forward.”

James C. Tyree (1957 - 2011)  
Chairman and Chief Executive Officer, Mesirow Financial, 1994-2011, and Chicago United Economic Model Task Force Chairman, at an August 28, 2007, Task Force meeting

## Chicago Minority Business Enterprises Grow and Compete on a National Scale

### The Vision

The Chicago United Five Forward Initiative™ engages the corporate community in our common goal of strengthening the local economy and enhancing job creation by supporting a stronger Chicagoland minority business enterprise (MBE) community.

### The Commitment

Chicago area corporations commit to doing business with five local minority firms over five years. As local MBEs grow and enhance their position to compete for corporate contracts outside of Five Forward, the corporate community benefits from a more competitive pool of diverse businesses.

### Supporting MBE Success

The Five Forward program is strengthened by including stakeholder groups with common goals. Collaboration between corporate and MBE communities, Chicago area advocacy organizations, nonprofits, public sector agencies, and other technical assistance agencies will allow MBEs to perform to their maximum potential. Coordinated access to technical support, human resources services, and capital ensure that local minority businesses will grow to better meet the needs of Chicago’s corporate community with innovation and expanded markets.

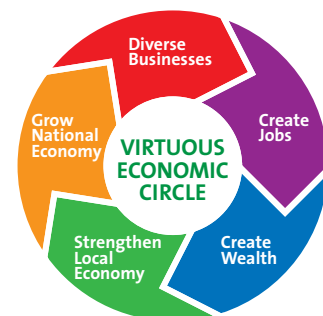
### The Aspiration

Chicago will boast the largest number of MBEs of scale<sup>1</sup> in the country.

## The Business Drivers for Advancing Scale in the Chicago Minority Business Community are Compelling

### Large Minority Firms are Job Creators and Hire Minority Employees

Research confirms what most observers already know: minority owned firms have a far greater propensity to hire from minority communities.<sup>2</sup> The expansion of locally owned and operated minority firms will add to the tax base, local sales, and support of local social institutions and community-based organizations.



### Minority Firms are Exporters

Minority owned firms are twice as likely to export and six times more likely to conduct business in a language other than English, according to The U.S. Department of Commerce

<sup>1</sup>The Boston Consulting Group describes large minority owned businesses, those of significant size and scale, as having at least \$100 million in revenue in “The New Agenda for Minority Business Development,” Boston Consulting Group, June 2005, pg 13.

<sup>2</sup>“Utilization of Minority Employees in Small Business: A Comparison of Nonminority and Black-Owned Urban Enterprises,” published by The Review of Black Political Economy, June 1994, Volume 23, Issue 1, pgs. 113-121.

Minority Business Development Agency. They also found that minority owned exporting firms are larger than non-exporting minority owned counterparts and create more jobs.<sup>3</sup> World Business Chicago has cited exports as a critical driver to the regional economy. Strengthening the minority business community has the potential to accelerate regional exports.

### Minority Community is Growing

From 2000 to 2010 the population growth in the United States was driven almost exclusively by racial and ethnic minorities and represented 91.7 percent of the nation's growth. The changing demographics are transforming corporate cultures both domestically and globally.

## The Chicago United Five Forward Initiative™ The Chicago Challenge

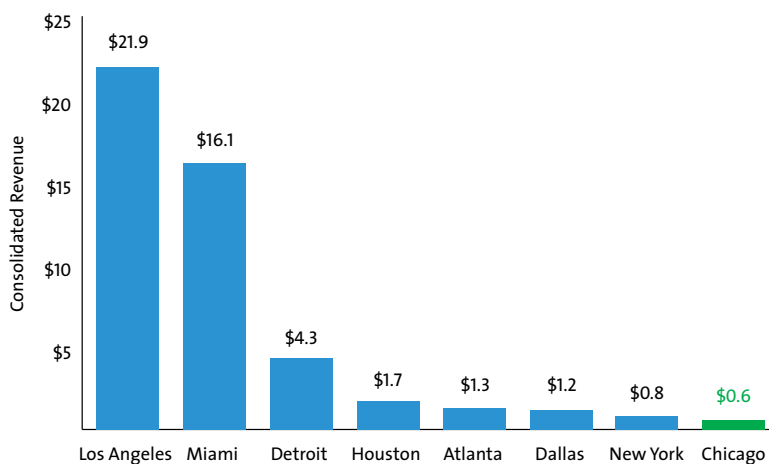
MBEs headquartered in Chicago compete for national corporate contracts with MBEs in comparative regional markets. Capacity is a critical competitive factor as corporations continue to pursue efficient and effective supplier and professional service relationships. Chicago United conducted a study in June, 2014, that demonstrated the need for focused attention on capacity building.

Based on revenues measured by *Black Enterprise* and *Hispanic Business* magazines, Chicago ranked last of eight competitive markets in 2013, the last year data was available.

Chicago had seven firms on the two lists, five in the BE 100 and two in the Hispanic 100, with combined revenues of \$637 million.

Los Angeles had eight firms on the two lists, five in the BE 100 and three in the Hispanic 100 with combined revenues of \$21.9 billion.

### Consolidated Revenues by Market



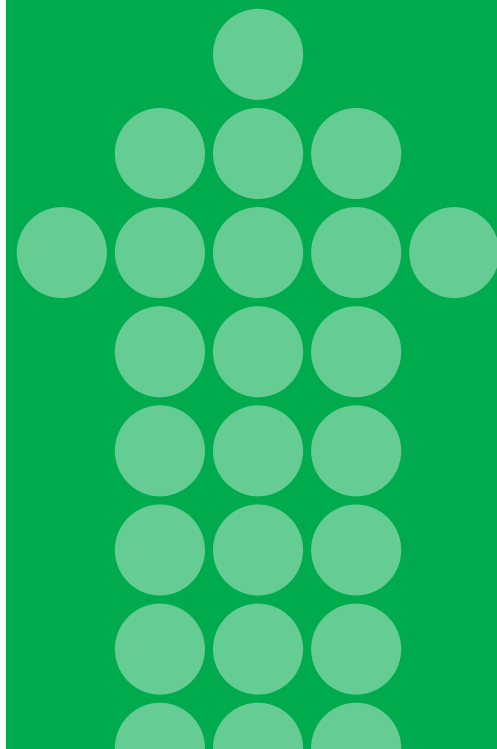
Source: 100 largest firms listed in *Black Enterprise* and *Hispanic Business* 2013 (\$ billions)

With focused attention and support from Five Forward Committed Corporations, Chicago can become the fastest growing MBE market in the country.

<sup>3</sup>The U.S. Department of Commerce Minority Business Development Agency, "2013 Fiscal Year Annual Report," <http://www.mbda.gov/main/performance/fiscal-year-2013-annual-performance-report#GrowingBusiness>.

“Chicago is my town; I want to see it thrive. I’m a product of the city and I look to hire people out of the city. Everybody wants to feel that they can contribute. Employment gives individuals the self-respect that allows them to contribute.”

Linda McGill Boasmond  
President & Owner,  
Cedar Concepts



“What’s really important about Five Forward is that it helps shift supplier diversity from a transactional function to a more strategic value proposition requiring ongoing dialogue, goal-setting, and planning for growth opportunities with qualified diversity suppliers... It’s delivering meaningful results and we are grateful for the support and guidance.”

M. Michelle Blaise  
Senior Vice President of Technical Services, ComEd, on their review of Five Forward during Illinois Commerce Commission Testimony on June 11, 2015

## A Success Story In Growing Local MBEs

**The first cohort of Committed Corporations in The Chicago United Five Forward Initiative™ developed a comprehensive approach to minority business development in the Chicago Region with impressive results.**

In 2013, Chicago United presented a detailed performance report to illustrate the impact Five Forward had on Chicago’s regional economy during the years 2009 through 2011. The results were the culmination of a year-long analysis designed to highlight the important role minority businesses play in stimulating the regional economy and job growth.

Data analysis through 2014 demonstrates accelerated job creation with increased corporate spend with local minority firms.

	2009	2010	2011	2012	2013	2014
Corporate Spend with Five Forward MBEs	\$186,290,000	\$221,830,000	\$227,650,000	\$249,494,920	\$351,835,376	\$358,632,380
Total Impact	\$446,030,000	\$519,150,000	\$540,790,000	\$591,302,960	\$833,849,841	\$849,958,741
Total Jobs Created (direct and indirect)	1,955	3,916	3,111	3,326	4,691	4,781

Data Collection: Committed Corporations report quarterly spend data to a secure website. Data is reported in the aggregate and is not attributed to individual corporations. Non-disclosure agreements will be provided to all Five Forward 2020 Committed Corporations.

## Five Forward Facilitates Strategic Relationships

Five Forward is an important tool to increase the effectiveness and efficiency of your business diversity program.

A critical element of success to Five Forward or any diversity and inclusion strategy is a commitment to the process from the CEO.

### Five Forward Integration and Implementation Process

This strategy is used in whole or in part to complement your business diversity initiative. The strategy includes five steps:

1. *Empower:* CEO empowers the executive management team and business diversity and procurement executives to support the initiative.
2. *Identify:* Business diversity executives identify areas of opportunity for local MBEs.
3. *Match:* MBE suppliers capable of matching the company’s forecasted plans are reviewed.
4. *Select:* Select MBEs, set goals, and develop metrics to measure performance.
5. *Report:* Report spend quarterly and performance semi-annually.

## Five Forward Benchmarking

Reporting is key to measuring economic impact and total job creation. A progressive benchmarking system to ensure annual goal setting and reporting identifies Committed Corporation status.

- *Committed:* Firms are identifying opportunities and MBE partners.
- *Silver:* Relationships with MBE partners have been established. Firms are setting goals and metrics for success.
- *Gold:* Business is being conducted. Firms have submitted two quarterly spend reports and the semi-annual satisfaction survey.
- *Platinum:* Four consecutive quarterly spend reports have been submitted. If reporting lapses, the Corporation reverts to gold status and platinum status will be regained with four consecutive quarters of reporting.
- *Diamond:* Quarterly reporting has been maintained without lapse and annual goal setting meetings have taken place with MBE partners. If a lapse takes place, Diamond status may be regained with goal setting meetings and four consecutive quarters of reporting.

## Capacity Building

A key strategy for the success of Five Forward is to build the capacity of regional MBEs. Capacity building involves identifying strong suppliers and growing them in scale (so they can provide more of the same) and/or scope (adding to the type of products and services they provide).

The annual goal setting sessions provide the platform to expand the strategic relationship between the committed corporations and the selected MBEs.

Setting goals, initially and as business relationships deepen, leads to the development of growth strategies. That growth can:

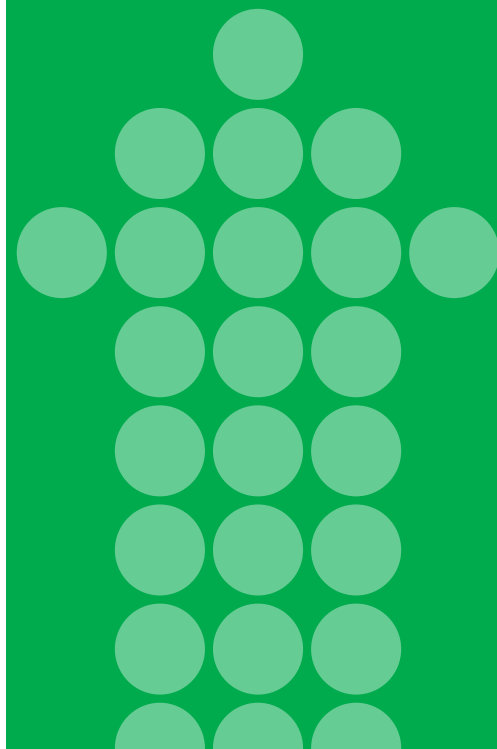
- Position the MBE as a national, North American, or global preferred supplier
- Expand their product and service offerings
- Expand their geographical footprint

The Collaborative Partners of Chicago United will be ready to advise on the following capacity building supplier development models:

- Many to One: Multiple Corporations Select the Same MBE
- Joint Ventures
- Mergers and Acquisitions
- Teaming and Strategic Alliances

“Since Montenegro got involved with the Five Forward program, we’ve been able to increase our staff by 200 percent. When we present what we’re doing with the Five Forward program to our banker, he knows that it’s not just a short term piece of business. I can do long-term planning; the program is not just a couple months, it’s a couple years.”

Ed Enciso  
President, Montenegro



“The Five Forward program has been extremely beneficial for CSMI. Metrically, you can see the growth in our revenues. Not only are we doing work in Chicago, we are doing work nationally and globally.”

Dr. Karen Eng  
President & CEO, CSMI

## Support Systems for Success

MBEs planning for growth may require external resources and support. Chicago United has coordinated the resources of several technical assistance agencies and nonprofits to address the MBE's needs.

Collaborative partners will provide technical assistance in business planning, workforce development, access to capital, and access to international markets.

## It's Time for Commitment!

### The Chicago United Five Forward Initiative™

Our goals are to provide flexibility for our corporate partners contemplating commitment and to maintain a disciplined timeframe for program metrics.

### Program Milestones

- Commitment enrollment
- Identification of opportunities and selection of MBEs by Committed Corporations
- Set goals and finalize procurement/business relationships
- Begin reporting of quarterly spend

### Five Forward Fees

To support the operations and staffing of the initiative:

- **Members of Chicago United:** Five Forward fees are included in membership dues
- **Corporations that are not members of Chicago United:**
  - Fee for corporations with annual gross revenues greater than \$500 million or financial services with assets greater than \$5 billion: \$7,500 annually
  - Fee for corporations with annual gross revenues greater than \$25 million or financial services with assets greater than \$500 million and nonprofit organizations: \$5,000 annually
- **All MBEs selected by Five Forward corporations:** An annual support fee of \$500 is suggested

## Commitment Benefits

- Five Forward Toolkit for Committed Corporations: A guide for successful engagement with Five Forward MBEs
- Five Forward Toolkit for MBE partners: A guide for successful engagement with Committed Corporations
- A guide to Collaborative Partners and their services
- Procurement and Supplier Diversity Officer Forum, conducted by Ralph Moore, president, RGMA, providing an interactive session on applying leading transformation management strategies to advancing business diversity
- MBE Forum, conducted by Ralph Moore, president, RGMA, providing an interactive session on applying the “Ten Components of Successful Corporate Suppliers”
- Industry Insight Forums to ensure Five Forward MBEs are staying focused on industry innovation
- Economic impact data gathering and reports
- Satisfaction surveys and ongoing monitoring and engagement as requested
- Corporate/brand acknowledgement in Five Forward publications

Chicago United members are engaged as thought leaders and thought partners in advancing diversity and inclusion. In addition to the Five Forward benefits listed above, they also receive access to exclusive programs and products to strengthen a corporate culture of inclusion:

- National Thought Leader – Transformative Inclusion Meeting
- Chicago United Leadership Summit
- Chicago United Leadership Conference
- CEO Council Meetings
- Leaders Council Meetings
- *Inside Inclusion Featuring the Corporate Diversity Profile* development meetings and on-line benchmarking toolkit

## Chicago United

To schedule an appointment or for questions, please contact:

**Gloria Castillo**  
President and CEO  
Chicago United  
312-977-3065  
[gcastillo@chicago-united.org](mailto:gcastillo@chicago-united.org)

Chicago United promotes multiracial leadership in business to advance parity in economic opportunity.

Chicago United supports the business community's need to maximize the use of corporate and entrepreneurial talent and brings together diverse senior business leaders to break through barriers to realize the benefits of diversity and inclusion.

Chicago United is the premiere organization creating an environment where racially diverse CEOs and executive level management can share common experiences to promote multiracial leadership in governance, management, and business partnerships while delivering best practices for diversity practitioners and building relationships among leaders who share common values.



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AbbVie  
Access Community  
Health Network  
Advocate Health Care  
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Aon  
Ariel Investments  
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Bank of America  
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Chicago Botanic Garden  
The Chicago Community Trust  
Chicago Sun-Times  
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The Chicago Zoological Society  
CIVIQ Smartscales  
Clarity Partners  
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Crain's Chicago Business  
CSMI  
Cushman & Wakefield  
"D" Construction, Inc.  
Deloitte  
elemento L2  
EY  
Federal Reserve Bank  
of Chicago  
Financial Executives  
International  
Franczek Radelet P.C.  
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Greeley and Hansen  
Guerrero Howe Custom Media  
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Hispanic Housing  
Development Corporation

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Prado & Renteria CPAs  
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PwC LLP  
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RGMA  
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UPS  
USG Corporation  
Walgreens  
Washington, Pittman  
& McKeever, LLC  
Weber Shandwick  
Wedgeworth Business  
Communications  
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### Five Forward 20/20 Committed Corporations

Current as of 7/2/17

Advocate Health Care  
Aon  
Aramark Healthcare  
Baxter International Inc.  
Blue Cross Blue Shield of  
Illinois/Health Care Service  
Corporation  
BMO Harris Bank N.A.

BP America Inc.  
Burns & McDonnell  
Cabrera Capital Markets, LLC  
The Chicago Zoological Society  
ComEd, An Exelon Company  
"D" Construction, Inc.  
EY  
Franczek Radelet P.C.

Greeley and Hansen  
HBK Engineering, LLC  
KDM Engineering  
Loop Capital  
McDonald's Corporation  
Meade  
Mesirow Financial  
MillerCoors

M. J. Electric  
Nash Brothers Construction  
Co., Inc.  
Northwestern Medicine  
People's Gas & North  
Shore Gas  
PwC LLP  
Roosevelt University

Rush University Medical Center  
SDI Presence LLC  
Sentinel Technologies  
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