



# Supplier Diversity Terms

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Publication 554  
December 1997

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For Postal Service buyers, potential suppliers, and industry or trade organizations, this glossary establishes definitions for unique or special words or phrases that are used within the Supplier Diversity arena. It does not, however, provide comprehensive or precise legal definitions.

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**bundling** — The consolidation of two or more requirements for supplies or services. Bundling may provide opportunities for strategic alliances.

**capabilities briefing** — The process of sharing information between prospective suppliers and the USPS on the supplier's qualifications and the USPS business opportunities.

**certification** — A process to certify the status of a minority- or woman-owned business, by government or trade organizations, or by self-certification. The key factor is ownership and control of the business.

**customer base** — All Postal Service customers.

**Diversity Development** — A postal organization that promotes change and growth so that the diverse needs of its employees, customers, and suppliers are integrated into all business processes.

**diversity development specialist** — A member of the Diversity Development staff whose responsibilities include developing outreach programs to assist potential suppliers with purchasing opportunities.

**economic development** — The creation of jobs and capital in a particular community as a result of contract awards to, or purchases from, local businesses or businesses employing persons in the community.

**emerging market** — A growing market niche that has not yet been penetrated, such as a market relating to ethnic, gender, or lifestyle preferences.

**equal access** — All potential suppliers having the same information concerning Postal Service purchasing opportunities.

**flow-down** — Contractor responsibility for subcontracting requirements.

**goals and measurements** — Mechanisms used to establish performance indicators and accountability for Postal Service purchases with small, minority-, and woman-owned businesses.

**mentor-protégé program** — A cooperative agreement between large companies (mentors) and small companies (protégés) whereby a mentor helps a protégé to hone its business, marketing, engineering, and technical skills.

**minority-owned business** — A business that is at least 51 percent owned by, and whose management and daily business operations are controlled by, one or more members of a socially and economically disadvantaged group — namely, U.S. citizens who are Black Americans, Hispanic Americans, Native Americans, or Asian Americans.

**outreach** — The process of proactively reaching out to various classes of business owners to provide an awareness of Postal Service purchasing opportunities.

**outsourcing** — Contracting the services of an outside firm to perform a business function normally performed internally.

**pre-qualification** — The process of identifying suppliers whose record of performance in the marketplace has demonstrated their ability to perform to consistently high standards of quality and reliability.

**pre-sourcing** — The process of locating potential suppliers for anticipated purchasing opportunities.

**profile sheet** — A Postal Service-developed questionnaire that contains summary information on a prospective supplier's capabilities, size, status, geographical area serviced, socioeconomic classification, and other relevant business information.

**second tier** — Subcontractor level, directly responsible to a prime contractor.

**small business** — A business, including an affiliate, that is independently owned and operated, is not dominant in producing or performing the supplies or services being purchased, and has no more than 500 employees.

**source list** — A list of potential suppliers capable of performing a selected purchasing requirement.

**sourcing** — The process of locating potential suppliers for specific purchasing opportunities.

**strategic alliance** — A contractual agreement (not purchasing contract) used to promote marketing initiatives that benefit the Postal Service through a partnership that combines core strengths, competitive advantages, or needs with the attributes of another company for mutual market advantage.

**subcontracting** — Awarding of contracts by the prime contractor to suppliers for the purpose of performing portions of the prime contract.

**subcontracting plan** — A formal plan submitted by the prime contractor that specifies goals for using small, minority-, and woman-owned businesses (SMWOBs) as subcontractors.

**supplier diversity** — The proactive business process that seeks to provide all potential suppliers with equal access to purchasing requirements.

**supplier diversity coordinator** — An advocate of supplier diversity within Facilities, Transportation, or Purchasing and Materials.

**supply chain management** — The coordination and integration of all activities associated with moving goods from raw materials to the end user. This includes sourcing, procurement, production scheduling, order processing, inventory management, transportation, warehousing, electronic commerce, and customer service.

**trade or industry association** — An organized advocacy group or network of businesses with a common objective to provide small, minority-, and woman-owned businesses (SMWOBs) the opportunity to compete for contracts.

**valuing diversity** — Creating an all-inclusive environment that embraces respect and cooperation among all people regardless of gender, age, race, religion, language, nationality, or lifestyle.

**woman-owned business** — A business that is at least 51 percent owned by a woman (or women) who is a US citizen, controls the firm by exercising the power to make policy decisions, and operates the business by being actively involved in day-to-day management.

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