

Nomination for the State Agency Recognition Awards 2002

Title:

Other Title not Listed: Positioning Strategy

Recipient: CalPERS

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### **Executive Summary – CalPERS Business Connection’s Positioning Strategy**

Using product marketing and branding techniques, CalPERS Business Connection (CBC) has successfully positioned itself as the Small Business / DVBE Advocacy unit that serves both CalPERS staff and business communities. By uniquely identifying CalPERS Business Connection as a dedicated program, CalPERS demonstrates its commitment to the Governor’s Executive Orders (D-37-01 and D-43-01) and support of California business owners.

Through various outreach and educational efforts, the CalPERS Business Connection has dramatically increased small business and DVBE participation levels despite enormous investment and health care contracts which impede statistical progress.

CalPERS Business Connection engaged CalPERS staff and Small Business / DVBE communities through the following positioning activities:

- 1) Created a distinct CalPERS Business Connection logo to use in all SB/DVBE outreach efforts.
- 2) Distributed educational literature to increase public awareness of state contracting opportunities.
- 3) Developed and procured promotional displays and products.

- 4) Conducted training seminars and positioned CBC to provide incentives to staff for participating in and supporting the SB/DVBE program.
- 5) Published success stories about Small Business and DVBE utilization in CalPERS Update, an internal monthly magazine.

These efforts helped to *double* CalPERS small business participation levels in a twelve month period and helped create a *ten-fold increase* in DVBE participation levels during that same period.

For your review and consideration, CalPERS presents an award nomination which elaborates on five strategies listed above to position CalPERS Business Connection as our dedicated Small Business and DVBE Advocacy unit.

### **Award Nomination – CalPERS Business Connection (Positioning Strategy)**

CalPERS develops its small business and DVBE program by:

- 1) establishing policy & management support
- 2) setting specific goals & coordinating program efforts
- 3) providing internal training to staff
- 4) developing vendor referral processes
- 5) formulating recognition methods
- 6) conducting external outreach
- 7) analyzing reporting systems and,
- 8) diversifying communication

CalPERS is innovative by establishing a separate identity for its small business and DVBE advocacy unit. During the last 15 months, CalPERS has focused on creating an image and promoting the functional purpose of the “*CalPERS Business Connection*”. This positioning strategy makes our advocacy efforts more evident and the business liaison more accessible.

Using product marketing and branding techniques, CalPERS Business Connection (CBC) has taken specific steps to better serve both CalPERS staff and business communities.

CalPERS illustrates five ways it advocates for increased small and disabled veteran business opportunities via positioning strategy.

### 1) CBC Created and Promotes Its Identity

CalPERS Business Connection created its own logo, incorporating CalPERS logo design elements. “Thank You” cards (*Attachment 1*) use the CBC logo and inform those interested in doing business with us that CalPERS encourages diverse participation in contractual activity. The card specifically mentions small businesses and disabled veteran business enterprises and features the purposeful slogan: “Your Single Source for CalPERS Contracts”.

### 2) CBC Distributes Promotional Literature

CalPERS Business Connection developed an informational brochure (*Attachment 2*) to give to business owners interested in CalPERS contracting opportunities and for those interested in the State certification process. In it, we state our contracting and procurement policy, explain a bit about the contract bidding process, discuss procured goods, examine the benefits and process of certification and describe eligibility requirements. The brochure also promotes CalPERS’ Business Connection identity and provides contact information.

### 3) Designed and Procured Promotional Displays and Products

Through various certified small businesses, CalPERS procured trade show displays and promotional products to demonstrate our support and commitment to small businesses and DVBEs.

Our six-foot quad display highlights our commitment to facilitating state contracting opportunities, networking and DVBE advocacy efforts. Economical pencils, permanent markers and pens (*Attachment 3*) contribute to CalPERS Business Connections’ promotional efforts.

### 4) Developed Internal Training / Staff Seminars

CalPERS Business Liaison educates CalPERS staff about the Small Business and DVBE program. A Power Point presentation (*Attachment 4*) identifies CalPERS Business Connection as the administering unit, reminds those in attendance of the Board of Administration’s support for the program, highlights goals and progress made, and provides several suggestions to elicit program support.

CalPERS Business Connection recently adopted a “tiger cub mascot” to help promote the SB/DVBE program to staff. A limited number of stuffed animal mascots were obtained to create an incentive to use certified businesses and to

provided recognition & awards to some staff that do. The CalPERS Business Liaison named the mascot “Cal”.

Cat lovers will attest that when cats are affectionate, they purr. This is exactly what we had in mind to promote the program! “*Cal*” *purrs* for DVBEs and Small Business” (see *Attachment 5*).

#### 5) Share DVBE Success Stories with Staff

CalPERS Business Connection shares with staff success stories about doing business with DVBEs via the CalPERS Insider, a monthly publication. This helps create staff awareness about the CalPERS Business Connection. Sample articles are provided in *Attachments 6, 7 and 8*. Each article provides contact information of the CalPERS Business Liaison, thus making the program more visible, understood and accessible.

#### Lessons Learned

CalPERS Business Connections’ consistent theme has helped position itself as the small business / DVBE arm of CalPERS. This identification has contributed to the success of the program. Participation levels have dramatically increased in terms of percent and overall business volume. Recent improvements are summarized in *Attachments 9 and 10*. CalPERS is challenged by its huge investment and health care contracts which lower overall statistics. Nevertheless, CalPERS Business Connection continues to make program advances.

It’s easy to build on a successful theme. Future projects for CalPERS Business Connection include a website and an informational tool kit. These projects will use the CBC’s identity to further CalPERS involvement with eligible and certified businesses.

Other departments may enjoy similar successes by establishing a distinct identity for their small business / DVBE units. Adopting and developing ideas similar to the ones presented in this nomination should be fairly easy. Advocacy unit logos can be based on the “parent” department or agencies logo. Thank you cards, displays and products can easily promote newly established “identities”. News articles, flyers, departmental intranet sites can be used to promote the Advocacy units. Mascots can be developed and used effectively.

In summary, CalPERS Business Connection *positioning strategy* encompasses all major facets of CalPERS efforts to increase small business and DVBE participation levels. The major benefits are to facilitate state contracting opportunities and establish lasting business relationships with the small business and DVBE communities.

We thank you for considering CalPERS nomination for the 4<sup>th</sup> Annual State Agency Recognition Awards 2003.