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Supplier praises resort's diversity program

MGM Mirage's outreach contributes to West Best Foods' success

BY BEN STEPHENS

As a Latino-owned company, Las Vegas-based food distributor West Best Foods finds itself near the top of MGM Mirage's list of vendors, as a result of the company's seven-year-old diversity initiative. West Best Vice President of Administration Gabriel Campisi says, however, that the MGM effort is not like its predecessor -- affirmative action.

"It's not a free ticket," he proclaimed.

Started by Campisi's Italian father in 1982 and now owned by his U.S.-naturalized Mexican mother, the Italian-and-Mexican-food distributor fits in perfectly with MGM Mirage's supplier-diversity program. Launched in May 2000, the initiative seeks to do business with companies where women, minorities or members of disadvantaged groups own at least 51 percent of the shares.

IMPORTANT, BUT NOT CRITICAL

Campisi hails the initiative but notes it does not make or break West Best, which sells pre-made lasagna to MGM Mirage for many of its restaurants, buffets and employee dining rooms. His company had a relationship with the hotels long before diversity initiatives surfaced.

"It's hard to differentiate where we'd be without it," he said, adding that it has, however, solidified the relationship with MGM Mirage. He maintains there is no written or verbal contract between the two companies and that West Best's minority-ownership status does not "guarantee that our product's going to stay in there."

But it does earn West Best one of the first seats at the negotiating table, Campisi says. "They give you the chance, but the rest is up to you," he elaborated, referring to the price and quality of services and goods.

Kenyatta Lewis, MGM Mirage's director of supplier diversity, says any contract worth \$1,000 or more goes out to bid and the resort operator first seeks out diversified bidders. Companies certified by agencies like the Nevada Minority Business Council can register on MGM Mirage's Web site to be considered for future contracts. The company identifies potential service niches for companies that



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Employees in the kitchen prepare a breakfast dish with chorizo, ham, eggs and cheese, baked in a pie-like crust.



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Gabriel Campisi is owner of West Best Food, a company that specializes in making Italian and Mexican fare for restaurants and hotels.

register.

Since the program's inception, MGM Mirage has doubled its contracts with vendors in the diversity program, reaching 11 percent in 2005. "A company that is at 8 percent is considered world class," Lewis added.

In 2001, purchase contracts awarded to companies under the program totaled \$24 million, jumping to \$95 million in 2006, Lewis says. These numbers do not include construction contracts, although there is a similar initiative for that sector.

MGM Mirage's overall focus is to decrease the number of suppliers and streamline its operation, Lewis states, but some contracts are broken down by line item "in the spirit of diversity." The company walks a fine line so as not to cut into cost savings, she adds.

TRICKLE-DOWN ECONOMICS

Compared to U.S. Foodservice or Sysco Food Services, Campisi considers the 40-person staff at West Best of medium size. Hotel deals are important because they account for about 85 percent of his business, which he said totals less than \$10 million annually.

Plus, they are good peace of mind because they pay on time. In fact, he says, deals with larger companies allow smaller operations, such as neighborhood restaurants, to stay in business: Campisi is able to accommodate them when they face financial hardship.

Although a big company may have missed out on selling lasagna to MGM Mirage, West Best still must purchase the raw materials to make those entrees somewhere. Campisi called it a "trickle-down effect."

MGM Mirage has taken its diversity crusade a step further, rolling out its tier-two initiative in the first quarter of this year. It requires all the companies with which it contracts to report their progress in seeking out minority- and women-owned suppliers. Lewis says it still is too soon to gauge its progress. "Now we're putting the onus on our suppliers to make sure they have the same values," she said.

Community College of Southern Nevada History Professor Michael Green labels MGM Mirage a leader in diversity, saying today's hotel casino-operators are in step with society. Green calls MGM Mirage's program fair, unlike affirmative action, in that it "levels the playing field."

"No one can say they weren't given the chance," he said, acknowledging that the initiative makes no guarantees based on ethnicity, gender or other classification. Green likens the opportunity offered by the diversity initiative to a family-owned business whose first generation passes it down to the second. It still is up to its successor to maintain quality and be competitive.

"No amount of nepotism," he said, "is going to save them."

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