

Doing Business with Anchor Institutions

A MADE IN BALTIMORE TOOLKIT

Introduction

Universities, hospitals, and museums are responsible for a vast amount of purchasing that takes place in any city's economy. Collectively, these organizations are known as '**anchor institutions**' because they tend to be place-based and in operation for decades (sometimes centuries).

ANCHOR INSTITUTIONS

The Baltimore Integration Partnership (BIP) is a collaborative partnership of anchor institutions, funders, nonprofits and public organizations focused on establishing economic inclusion as the business culture of norm in the Baltimore region, which includes **helping these institutions shift more of their purchasing to local businesses.**

In 2019, Made In Baltimore partnered with BIP to identify ways small-scale manufacturers could become more engaged with anchor institution procurement. Made In Baltimore interviewed over two dozen representatives of ten area anchor institutions to identify the products and services that our member businesses may be able to provide.

This document outlines the opportunities uncovered, and offers concrete steps businesses can take to get into the contract pipeline with Baltimore area anchor institutions.

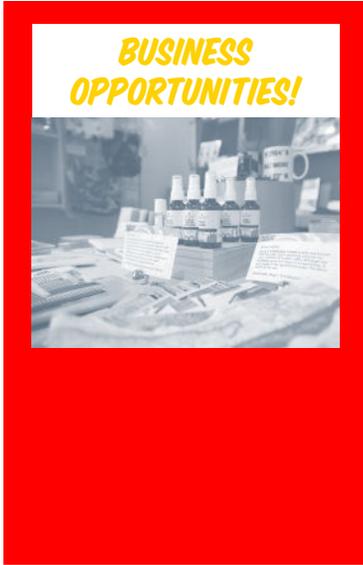


Where are the Business Opportunities for Small Scale Manufacturers?

Through our research, Made In Baltimore identified two primary spending categories that are a fit for our business network: **anchor institution book and gift stores and institutionally branded marketing and promotional products**, such as clothing, accessories, and event signage.

The Baltimore Museum of Industry’s gift store and the MICA Bookstore are two examples of anchor stores that have embraced local products as a significant portion of their inventory (both have received the Made In Baltimore Retailer Certification). In the institutionally branded product category, an employee at Towson University reported purchasing 1,500 customized tote-bags in 2018 alone.

For many institutions, the size of the purchase matters. Purchases above \$5,000 frequently require competitive bid processes, but smaller purchases can often be executed by an individual via invoice or with institutional credit cards (P-Cards). Institutions can have many P-Card holders and other purchasers spread across multiple departments; finding the right person to talk to can be tricky, but useful, as these individuals often have full discretion over their purchases. P-Cards are frequently used for catering orders, gifts, and supplies and materials for events. Local business portals such as [Hopkins Local](#) often provide a ‘front door’ for businesses to engage an institution. Table 1 provides a list of area universities and departments that can serve as a ‘front door’ for product-based businesses.



| TABLE 1: UNIVERSITY DEPARTMENTS | |
|-------------------------------------------|------------------------------------------------|
| INSTITUTION | POINT OF ACCESS |
| Towson University | Marketing & Communications |
| University of Baltimore | Procurement Department |
| Coppin State University | Office of University Relations |
| Johns Hopkins University & Medical System | Hopkins Local |

BMI GIFT STORE SALES BREAKDOWN

25%
toys and
games

40%
Maryland-
themed
products

30%
locally-made
products

Book Stores & Gift Stores

Some anchor institution book and gift stores are managed by third party companies and can be challenging for small businesses to access. Others are managed in-house, and have more discretion and flexibility with the products they stock. A list of anchor book and gift stores and their management information is included in Table 2.

The Baltimore Museum of Industry gift store reports their sales break down as 40% Maryland-themed products, **30% locally-made products**, and 25% toys and games. Top-selling products vary at these stores, but some product types are common:

- Candy and Snacks
- Baltimore/Maryland-themed gifts under \$20
- Greeting cards
- Institutionally-branded products (hats, shirts, bags)

HAVE YOUR WHOLESALE PRICING AND MSRP (MANUFACTURER SUGGESTED RETAIL PRICE) FIGURED OUT BEFORE YOU CONTACT US. THE BEST WAY TO GET IN TOUCH IS WITH AN EMAIL THAT INCLUDES YOUR PRODUCTS, PRICING, AND GREAT PRODUCT PHOTOS.

TABLE 2: BOOK & GIFT STORES

| INSTITUTION | POINT OF CONTACT | POINT OF ACCESS |
|------------------------------|------------------|------------------------------------------------------------|
| MICA BookStore | Kerri Litz | store@mica.edu |
| Baltimore Museum of Art | Lydia Bailey | lbailey@artbma.org |
| Johns Hopkins Medical Campus | | czerhus2@jhmi.edu |
| Loyola University | Barnes & Noble | www.bncollege.com |
| University of Baltimore | Barnes & Noble | www.bncollege.com |

BRANDED PRODUCTS



Branded Marketing & Promotional Products

Most anchor institutions buy promotional products with their brand or logo on them. In every case, permission is needed before a third party can use that brand on a product. Some institutions handle brand licensing in-house, but others use third-party licensing organizations like [Collegiate Licensing Company \(CLC\)](#). A list of institutions and their brand licensing entities are provided in Table 3.

TABLE 3: UNIVERSITY BRAND LICENSING

| INSTITUTION | LICENSING ORG | LICENSING CONTACT |
|-------------------------------------------------|------------------------------|--------------------------------------------------------------------------|
| Weller Development | In-House | Sylvia Vadakara |
| University of Baltimore | Barnes & Noble | Stefanie Shaffer |
| Johns Hopkins University | Collegiate Licensing Company | jhucommunications@jhu.edu |
| University of Maryland, Baltimore County (UMBC) | Collegiate Licensing Company | Jim Lord |

WE'RE VERY SENSITIVE TO PRODUCT PRICE, BUT CAN BE A LITTLE FLEXIBLE ON THAT IF THE CUSTOMER SERVICE IS REALLY EXCELLENT. TIME IS ALSO MONEY, SO IF YOU CAN SAVE ME TIME ON THE BACK-AND-FORTH, THAT HELPS.

Licensing

Before any company seeks to license and use an institutional brand, it should first understand the difference between Internal Use Licensing and Standard Use Licensing. Most brand licensing agreements will also require a vendor to carry [product liability insurance](#).

Standard Usage License

For companies that produce licensed consumer products that will be resold, such as items for sale at retail in local, regional and national retail outlets. If your business wants to put a university logo on a t-shirt and sell it on your website, you would need this license.

Internal Usage License

For companies that produce licensed consumer products for sale ONLY to institutional departments and approved organizations for internal/non-resale use. If your business wants to produce a t-shirt with a university logo on it and sell it to that university only, you would need this license.

The Importance of Business Certifications

Many institutions have women, minority, and small business purchasing requirements or goals. But in most cases, it isn't enough for a vendor to simply be a small, woman, or minority-owned business; her business must hold a certification that proves it. Holding these certifications helps a business rank higher when competing for many institutional contracts. A list of the most commonly required certifications is provided below:

- [U.S. Small Business Administration Certifications](#)
- [State of Maryland Minority Business Enterprise \(MBE\)](#)
- [State of Maryland Small Business Reserve \(SBR\)](#)
- [Baltimore City Minority & Women Business Enterprise \(MBE/WBE\)](#)

GET STARTED!



Challenges for Small Businesses

Interviewees cited four primary challenges they have experienced when working with small local businesses. Any business planning to contract with an anchor institution should consider these carefully before beginning.

1. **Volume Capacity**—Businesses must understand the product volumes expected under contract and be prepared to deliver and re-stock when needed.
2. **Timeliness of Delivery**—Businesses must be able to produce and deliver according to agreed upon timeframes. Delivery delays can result in voided contracts.
3. **Invoice Fulfillment**—Many institutions have 30, 60, and even 90-day wait periods for invoice fulfillment. Businesses must understand the timeframe for invoice fulfillment, and be able to wait that long before getting paid.
4. **Price Sensitivity** — In many cases, local businesses are competing with mass produced goods made cheaply overseas. It can be difficult for a purchaser to justify spending more on a locally made product. Businesses should be aware of price sensitivity and be prepared to negotiate.

We hope you find the information in this toolkit helpful to start you on the path.

If you have further questions about the process, feel free to reach out to us at madeinbaltimore.org or baltimorepartnership.org.

