



Audience
Table Talk (Office/Departments)



DEI level
Beginner



Time Allocation
30-45 minutes

Learning Objectives

Gain a basic understanding of what supplier diversity is and why it's important.

Definitions

Supplier Diversity: a business practice that refers to the inclusion of diverse-owned businesses in the procurement of goods and services. In the construction industry, this could refer to a business that is a supplier or a subcontractor.

Diverse-Owned Business: a business that's at least 51% owned and operated by an individual who's part of a traditionally underrepresented or underserved group. Common classifications are minority-owned business enterprises (MBEs), woman-owned business enterprises (WBEs), and small-business enterprises (SBEs). Businesses owned by other groups, such as LGBTQ+, veterans, and persons with disabilities, may also be considered diverse businesses.

■ Content

Importance of Supplier Diversity:

- Supplier diversity is critical to the growth and success of the construction industry, and organizations that embrace supplier diversity do so for reasons that are meaningful from both a moral and business standpoint:
- Supplier diversity is vital to the sustainability of the construction industry. The demographics of the United States are rapidly changing, and our industry must also change in order to grow and thrive. From our workforce to our customers to our supply chain and trade partners, every aspect of our industry is becoming more diverse, and the future of construction will be very different from the past. Supplier diversity represents a necessary turning point in how we operate as an industry.
- Supplier diversity strengthens the economic health of local communities. Small and diverse businesses live and work in the communities they represent and are essential to the development and stability of local economies. Supplier diversity also supports job growth and fosters entrepreneurship among those who are often underrepresented in the construction industry. Investing in diverse-owned suppliers is an investment in our communities.
- Having a more inclusive procurement strategy broadens the pool of potential subcontractors, suppliers, and vendors. This encourages competition, which can improve quality and lower costs. In addition, having a more diverse network of suppliers and trade partners makes an organization more agile and resilient, enhancing performance and profitability.

- Supplier diversity is increasingly important to existing and potential customers, including private and nongovernmental owners. Customers of all industries are becoming more informed and intentional when it comes to sourcing products and services, and the construction industry is no different. Utilizing small and diverse businesses demonstrates a company’s commitment to corporate responsibility and ethical business practices.
- Supplier diversity programs help distinguish an organization when it comes to hiring and retaining top talent. In the face of workforce shortages across the industry, many construction companies are expanding efforts to recruit young women and people of color. Studies have shown this pool of potential talent is more likely to choose an employer with a demonstrated commitment to diversity and to equitable businesses practices like supplier diversity.
- Advancing supplier diversity is a substantial step companies can take to combat inequality and discrimination. Large organizations can lead by example and use their economic and social influence to support small and diverse businesses that are essential to the survival of the construction industry.



Discussion Questions

- 1 How have attitudes or perceptions of supplier diversity changed over the years in the construction industry?
- 2 Does the idea of supplier diversity clash with any “old school” attitudes? How can we work together to advance supplier diversity within our organization?
- 3 Do you know of any examples of how supplier diversity has impacted a project you’ve worked on, influenced a customer, or won your company work?
- 4 What opportunities are there to incorporate more diverse suppliers/trade partners on your projects? Consider all the different categories of spend (general conditions, printing needs, miscellaneous tools/hardware, sponsored lunches, etc.).