



Audience
Table Talk (Office/Departments)



DEI level
Intermediate



Time Allocation
20-30 minutes

Learning Objectives

Gain a better understanding of some of the best practices involved with administering supplier diversity efforts.

Definitions

Diverse Business: A diverse business is generally defined as 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

■ Diverse Firm

1. Identify a representative who will be main point of contact for any supplier diversity related inquiries that may arise. A common task for this individual includes ensuring that your diverse certification is continually renewed as needed – with a copy of your renewed certification being provided to all of your prime contractors/clients that you're doing business with.
2. Ensure your business obtains the proper supplier diversity certification for the prime contractor/client that you're pursuing work with as a diverse owned business. Certification requirements differ from one project to the next.
3. Ensure that you're participating in industry related supplier diversity networking mixers, conferences, and trade shows – helping to further cultivate your relationship with key prime contractors/clients

■ Majority Firm

1. Identify representative who will be responsible for supporting supplier diversity related efforts by partnering with stakeholders and decision-makers across your company and external organizations to efficiently and effectively discover, identify, interact and develop contract opportunities with diverse businesses.
2. Establish an internal policy and procedure to achieve supplier diversity success – and ensure it is communicated both in the office and in the field/jobsite. This documentation should be endorsed by a senior figure within your company, as a demonstration of senior level commitment to your supplier diversity efforts
3. Consider utilization of a supplier diversity management system to help monitor and track your supplier diversity efforts (B2Gnow, Supplier Gateway, Supplier IO, Textura etc.)
4. Do not overcommit when committing to a supplier diversity spend goal with your prime contractor/client. Be honest as every transaction requires certain flexibility but never compromise your integrity for the sake of a transaction as liquidated damages are accessible on some projects if you do not meet your supplier diversity goal.

5. Establish relationships with key diverse businesses now. It is key to have a bench of qualified diverse businesses that you can invite to bid opportunities to ensure you're doing your due diligence in helping to achieve your projects supplier diversity goals. 2
6. Establish annual supplier diversity goals for the goods and work that you plan to spend with diverse businesses
7. Invite diverse businesses, who are interested in doing business with your company, to register in your company portal and prequalify with your company
8. Cultivate the relationships with your bench of diverse businesses by visiting their place of business – helping to establish a more solid partnership
9. Consider partnering with supplier diversity nonprofit trade partner organizations to conduct education and mentoring – helping to support capacity building for diverse businesses so that they're that much more ready to business with your company
10. Ensure you're communicating your commitment to supplier diversity efforts both internally and externally

To hire, or not to hire supplier diversity related support can be a challenging matter to work through. Below are (5) components to help guide your decision:

1. *Is the resource need a longer-term need?* If so, it may make sense to consider an in-house hire vs. outsource one. However, if you need to fill a resource quickly and can't be flexible on timing, outsourcing may be your best bet until you fill the in-house hire. Sometimes outsourcing provides the leverage you need to excel and achieve your short-term as well as long-term goals in the future by helping you focus on your core business – allowing you time to eventually hire a resource inhouse to help impact the long-term goals of your company.
2. *What is your supplier diversity budget?* The cost difference between an in-house employee and outsourced resource should be taken into account. While outsourcing may sometimes seem like the more cost-effective option considering the cost savings in the short-term due to no overheads such as recruitment, training and other ongoing company perks such as healthcare or pension schemes, some outsourcing companies may charge a relatively higher daily rate. The initial cost savings can quickly disappear if you intent to work with such outsourcing companies. On the other hand, in-house hiring can result in a greater buy-in to your company and the knowledge and skills developed by working on your projects is kept-in house and is available for use at a later stage – resulting in this investment paying off sometime later.
3. *What fits best with your company culture?* Sometimes introducing an outsourcing vendor may bring internal conflicts to your company as permanent staff can find it difficult to work with outsourcing vendors who don't fit in with your company culture where on the other hand an outsourcing vendor may transfer their skill sets to the rest of your workforce, adding further value to your organization, during their time working at your company.
4. All in all, the ultimate decision of the route you choose should be based on your requirement, budget, skills gap, long-term goals and company culture.

Discussion Questions



- 1 Do you have any administrative related best practices onsite that you think have also aided to achieving supplier diversity success?
- 2 What are some challenges onsite that you think have made it difficult to achieve supplier diversity success?
- 3 Does your firm have someone identified to be the main point of contact for any supplier diversity related matters and has the designation been successful? Discussion Question