

## How to Select Diverse Suppliers and Partners: A Guide for Corporates

*Embracing diversity and inclusion in supplier chain function is critical in today's changing environment. Diverse suppliers and partners bring unique perspectives, creative solutions, a deeper understanding of the customers, making them invaluable assets to any corporate strategy. This guide can help companies seamlessly integrate diverse suppliers into their operations, ensuring a more inclusive and equitable supply chain.*

### Why Diverse Suppliers Matter

- ✓ Diverse suppliers bring unique perspectives and solutions, along with innovation and creativity.
- ✓ They offer insights into diverse customer bases, helping you tap into new markets.
- ✓ Supporting diverse businesses contributes to economic growth and community development.
- ✓ Meeting supplier diversity goals can enhance your corporate reputation and ensure compliance with regulatory requirements.

### Steps to Select Diverse Suppliers/Partners

#### 1. Define Your Diversity Goals

Start by establishing clear, measurable diversity goals. These goals should align with your company's overall D&I strategy, budget and could include details such as targets for spending with diverse suppliers or specific categories such as minority-owned, women-owned, veteran-owned, and LGBTQ+ owned businesses.

#### 2. Conduct a Supplier Diversity Audit

Assess your current suppliers to understand the extent of diversity and identify gaps. This audit will provide a baseline against which you can measure progress and help you understand which areas need more attention.

#### 3. Engage with Diverse Supplier Networks

Participate in diverse supplier networks and organizations, such as:

- National Minority Supplier Development Council (NMSDC)
- Women's Business Enterprise National Council (WBENC)
- National LGBT Chamber of Commerce (NGLCC)
- Disability-owned businesses

These organizations can help you connect with certified diverse suppliers and provide resources for supplier development.

#### **4. Inclusive Procurement Policies**

Ensure your procurement policies and procedures are inclusive and support the participation of diverse suppliers. This might involve:

- Simplifying the RFP (Request for Proposal) process
- Offering training sessions on how to do business with your company
- Setting aside certain contracts specifically for diverse suppliers

#### **5. Diverse Supplier Program**

Create a formal supplier diversity program that includes:

- A dedicated team responsible for maintaining supplier diversity
- Clear objectives and metrics
- Regular reporting and analysis of supplier diversity data

#### **6. Continuous Support**

Support the growth and development of diverse suppliers through:

- Mentorship programs
- Training and workshops
- Financial assistance or flexible payment terms

This not only strengthens your supplier base but also demonstrates your commitment to their success.

#### **7. Measure Performance**

Regularly track and report on your supplier diversity efforts. Use key performance indicators (KPIs) to measure progress against your goals. Share these reports internally and externally to maintain transparency and accountability.

#### **8. Build Long-term Relationships**

Building long-term relationships with diverse suppliers goes beyond the initial contract. Engage in continuous communication, provide feedback, and collaborate on new opportunities. Long-term partnerships can lead to greater innovation and mutual growth.

### **Overcoming Common Challenges**

#### **Resistance to Change**

Implementing a supplier diversity program may face resistance from employees. You can address this by:

- ✓ Educating stakeholders on the benefits of supplier diversity.
- ✓ Highlighting success stories and case studies.
- ✓ Involving leadership in championing the initiative.

## **Finding Qualified Suppliers**

Sometimes, finding suppliers that meet both diversity and quality criteria can be challenging. To overcome this, you can:

- ✓ Expand your search to include smaller, emerging suppliers.
- ✓ Utilize platforms and databases designed that connect buyers with diverse suppliers.

## **Balancing Cost and Quality**

While cost considerations are important, focus on the value that diverse suppliers bring in terms of innovation, market insight, and community impact. Evaluate suppliers on a holistic basis rather than solely on cost.

## **Conclusion**

*Selecting diverse suppliers and partners will add to your strategic advantage. By encouraging supplier diversity, corporates can not only drive innovation and access new markets but also contribute to a broader economic development. Implementing these steps requires commitment and collaboration across the organization, but the benefits outweigh the challenges.*

*The journey towards supplier diversity is constant, and every step forward brings you closer to a more inclusive future.*

*Feel free to share this guide within your network and take the first step towards a more diverse and inclusive supply chain today.*