

Getting Started in Supplier Diversity

This document is intended as a practical, plain English guide to steps that will get any organisation started in supplier diversity.

This document does *not* address the background to supplier diversity, including the business case. Such issues are covered by documents such as the Commission for Racial Equality Supplier Diversity Guide and our Handbook on Supplier Diversity in Europe. This and other relevant material can be located via our web-site.

Every organisation is unique. It has its own structure, culture and values. What works for one organisation might not work for another. Don't be afraid, therefore, to try out new ideas and to do what you think will work for *your* organisation and then to share your experiences with Supplier Diversity Europe.

1. Strategic Planning

Before you plunge into the actual 'doing' of supplier diversity, it is well worth spending some time thinking about your organisation's vision for supplier diversity, what you would like to achieve and could go about doing so.

This is an ideal time to think about all of the opportunities and challenges that you may encounter, to identify internal resources and pull in external support, such as that offered by Supplier Diversity Europe.

1.1 People

Questions to ask yourself and your organisation;

- Who is involved in supplier diversity, within this organisation, at the moment?
- Who is the high level champion for supplier diversity?
- Who is going to under take a co-ordinator role for supplier diversity activity?
- If neither the champion or co-ordinator is a procurer, who from the procurement function is involved?
- How much time and resources can all of these people, realistically, contribute?
- What resource and expertise gaps do we have? How can we fill these gaps?

You may find it helpful to refer to sections (3) and (4) in considering these questions.

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There may only be a handful of people working on supplier diversity at the moment, perhaps as few as two. It might be helpful to get all of these people together, however, to work through the rest of the Strategic Planning points.

1.2 Objectives

This is a good time to think about *your* **business case** for supplier diversity

In order to clarify your business case for supplier diversity, ask yourself and your organisation the following questions;

- Why is this organisation getting considering being involved in supplier diversity?
- What are we hoping to get out of supplier diversity?
- What would success look like, for us?
- To which existing organisational policies, strategies and similar is supplier diversity linked?

It would not be unusual for different people to give different answers to these questions. The answers may be long and seem to lack clarity. Don't worry! Supplier diversity can be complex and difficult.

Based on what your business case is now is the time to ask yourself and your organisation the following question;

- Which 'under-represented' supplier groups are you targeting with your activity?

Groups might include some or all of the following;

- Small and medium enterprises (SMEs) based in Europe
- Small businesses based in Europe
- European-based SMEs majority owned and controlled by
 - Women
 - People from minority ethnic groups
 - Disabled people
 - People from lesbian, gay, bisexual transgender groups
- Local businesses (in which case, what is 'local' to you?)
- Sheltered workshops employing disabled people
- Social enterprises
- Not-for-profit sector
- Organisations based in specific, economically disadvantaged communities (in which case, where, exactly?)

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The answer that you give is likely to be influenced by your organisational strategies and what you already know about how your supply chains operate and who is in them.

If you don't have enough information together, yet, to evaluate your answers then you may wish to target the same, specific groups that SDE is targeting, that is;

- European-based SMEs majority owned and controlled by
 - Women
 - People from minority ethnic groups
 - Disabled people
 - People from lesbian, gay, bisexual transgender groups

1.3 Geographical Scope

If your organisation has more than one office ask yourself and your organisation;

- How wide would you like the geographical scope of your supplier diversity activities to be?
- What is a realistic geographical scope for you your activities, at the beginning? That is, in what countries, cities or similar?
- As your supplier diversity work grows, how will you expand your work to other offices and areas?

1.4 Operational Scope

Large businesses, public sector and not-for-profit organisations generally have decentralised and, sometimes, fragmented procurement functions. Different parts of the organisations can vary in their cultures and approaches.

The parts of organisations that you might wish to get involved at the beginning are those that;

- are led and staffed by people with a positive, open attitude who you know will be willing to work with you
- are involved in finding suppliers for a regular though-flow of low(ish) value, low(ish) risk procurement opportunities, such as HR and marketing
- who understand and appreciate the value of equality and diversity in the workforce and so are likely to be able to apply this to supply chains

This is now an appropriate time to ask the questions;

- Which business units or sectors will you involve in supplier diversity activity?

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- Being realistic, which business units can you get engaged at the beginning?
- As your supplier diversity work grows, how will you expand your work to other units and sectors?

2. Supplier Diversity Policy & Implementation Plan

Now that you have carefully considered the organisational context within which you are working, it's time to start planning for and moving toward supplier diversity.

It's useful to clarify your position, reasoning and terminology. This can be achieved by writing and disseminating a **Supplier Diversity Policy** or equivalent statement of intent.

Each organisation prefers its policies to be written in different ways. Generally, such policies are up to 1 page long and include the following;

- Why your organisation is working on supplier diversity
- What the organisation is seeking to achieve by doing so
- How it will achieve this

This Policy should be ratified at the highest possible level of your organisation, so that you have the confidence and backing to go forward.

Some organisations work in a reverse manner – no policy can be approved until its principles are piloted and benefits demonstrated. If this is the case in your organisation, then you may wish to clarify your position through a 'statement of intent' or similar rather than a 'policy'.

From your Policy and Strategic Planning, draft an **Implementation Plan**. This should include;

- *What* you intend to do
- *How* you will achieve it
- *Who* will play what roles in doing so
- *Where* this will happen
- *When* it will happen
- Risks and how to manage them
- SMART measurables

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Your implementation plan is your route-map for moving forward. But internal and external situations change, so don't hesitate to change and update it as you go along.

You have now laid the foundations to move forward with supplier diversity.

The following sections address practical implementation of supplier diversity.

3. Senior Management Support

In order to advance supplier diversity within an organisation, high-level buy-in is essential. Generally, this boils down to one, high-level person acting as an advocate for supplier diversity. This person is often labelled the 'Champion' or 'sponsor' for supplier diversity.

The idea qualities of a Champion are as follows;

- They understand the issues associated with supplier diversity
- They are committed to ensuring supplier diversity
- They are high-up the organisational hierarchy
- They have time and energy to put into supplier diversity
- They are considered influential within the organisation
- They are an effective communicator
- They are prepared to go out on a limb to support supplier diversity

The kind of activity and support that a Champion can undertake includes;

- Mapping out a route for supplier diversity to be transferred and embedded through the organisation.
- Writing senior management statements endorsing supplier diversity
- Ensuring that supplier diversity is considered during high-level, organisational strategic planning.
- Ensuring that adequate resources, including staff time and budget, are allocated for supplier diversity activity.
- Presenting the organisation's approach on supplier diversity activity at relevant internal and external events. That is, being 'the face' of supplier diversity.
- Providing practical support, as required, to support the activity of those staff actively working on advancing supplier diversity.
- Unblocking the passage of supplier diversity through the organisation. This might involve, for example, tackling un-cooperative senior staff.

4. Designated person dealing specifically with supplier diversity

Supplier diversity simply will not be advanced unless at least one individual takes on the role of ‘facilitator’ or ‘co-ordinator’ and works actively to progress the Supplier Diversity Policy and Implementation Plan or their equivalents.

This person may be assigned the role by the organisation’s Champion, or volunteer themselves for it.

Ideally, the Co-ordinator should:

- Be well resourced
- Have supplier diversity as their primary responsibility
- Report directly to senior management

And have the following characteristics;

- Be based within the procurement function. If they are not, then they should be able to influence that function
- Understand thoroughly how the organisation’s supply chains operate
- Understand general issues associated with supplier diversity
- Understand the benefits that supplier diversity could bring to the organisation and be committed to delivering them
- Be able to communicate effectively with procurement professionals within the organisation
- Have an open channel of communication with the organisation’s Champion for supplier diversity
- Be able to objectively analyse activity and results
- Enjoy working with a range of internal and external stakeholder

5. Assessing the baseline, setting targets and monitoring performance

- Set objectives around planning and implementation of supplier diversity activity
- Conduct a supplier audit to assess the existing supplier base and identify the percentage of under-represented suppliers as well as the percentage of total procurement with them.
- Set quantitative performance milestones to ensure the visibility of under-represented businesses and opportunities offered to them

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- Monitor progress systematically against set objectives and targets, which are periodically reviewed
 - *Establish mechanisms and set a timeframe*
6. Reviewing procurement policies, procedures and practices & making opportunities visible
 7. Identifying suitable procurement categories for under-utilised suppliers
 8. Educating procurement officers and other internal stakeholders
 9. Involving prime contractors and other suppliers
 10. Participating in outreach events & providing assistance to under-utilised suppliers
 11. Disseminating success stories
 12. Continuous learning and feedback

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