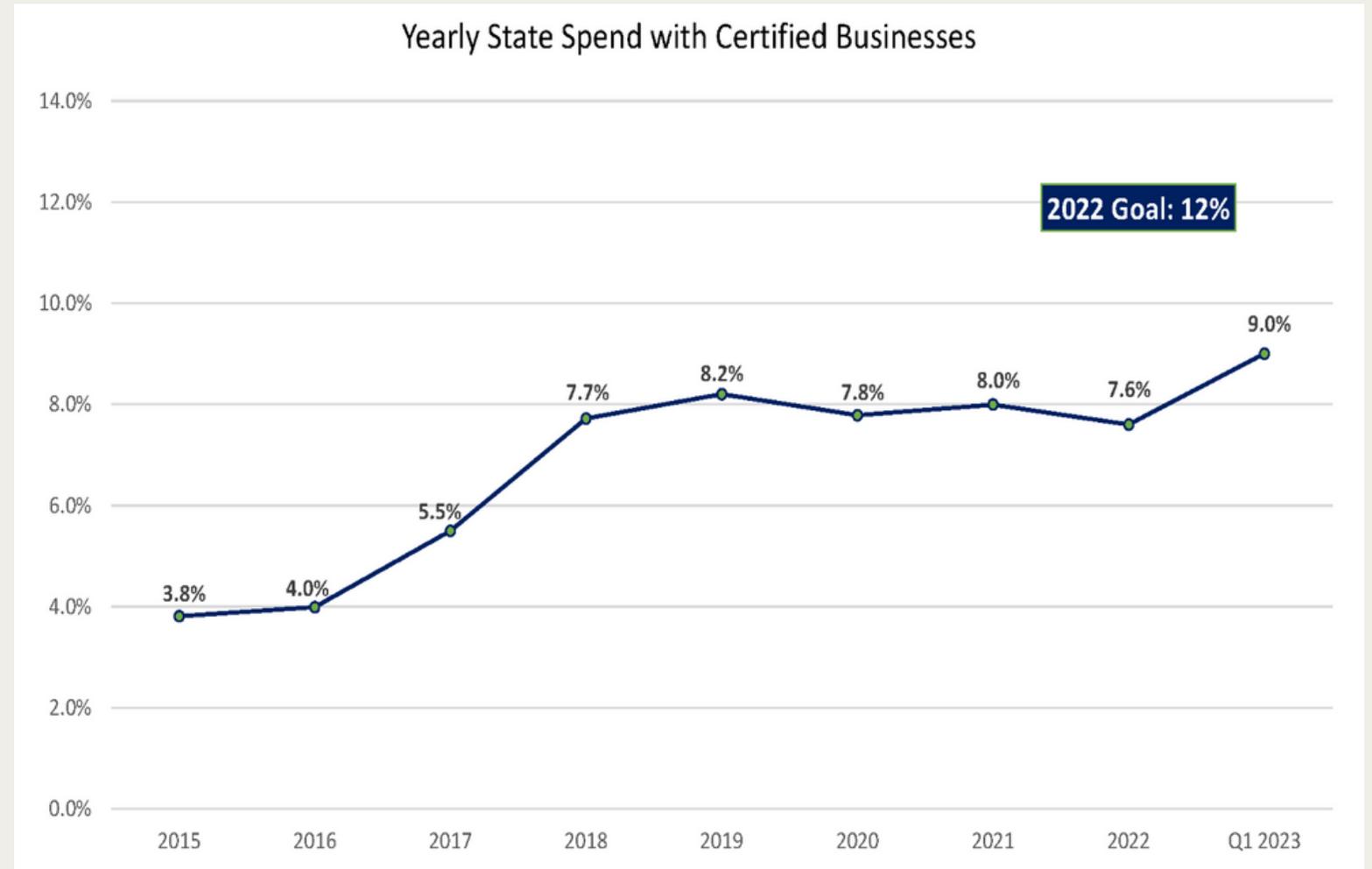


# Moving Your Diversity Procurement from Compliance-based to Best Practices

# ISM – Twin Cities

- Objectives of a Supplier Diversity Procurement Program
- Identifying Suppliers – One of the Biggest Challenges
- Methods for Managing the Risks
- How to Position Your Company to be a Better Partner



# WHY EVEN HAVE A DIVERSITY PROGRAM?

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This is for your business to decide.

There are very few duplicate programs that are based on intention.

Have you discussed this within your organization?

**Having a steering committee will move the program with intention**

# Shifting the Diversity Focus

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Enhancing the program to match the company's goals and motivations

----- **Supplier Diversification** -----

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## Good

- Compliance focused
- Building a diverse and inclusive supply chain

## Better

- Achieving value beyond compliance
- Cultivating diversity beneficial to the buying company
- Generating a diversity of supplier perspectives

## Best Practice

- Operational enhancement
- Listening to diverse perspectives and incorporating them into supply chain strategy
- Leveraging divergent perspectives to increase supply chain resiliency

Start...wherever you are, just start

# foundational development of supplier diversity program

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## *Supplier Discovery*

- Market Research
- Supplier Evaluation
- Outreach Programs
- Onboarding Process



## *Supplier Development*

- Target Training Programs
- Mentorship Initiatives
- Performance Reviews
- Strategic Partnership Development



## *Supplier Retention*

- Performance Reviews & Health Checks
- Fostering Ongoing Engagement
- Recognition & Rewards Supplier
- Community Building



## *Technology Stack*

- Digital Vetting
- Philosophical Alignment
- Categorization
- Platform Selection

# HOW TO FIND DIVERSE SUPPLIERS?

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- For a fee - Corporate Memberships for Access to Diverse Suppliers:
  - WBENC - Disability:IN - NMSDC - NGLCC
- For free - Leverage State Resources:
  - State's Supplier Diversity Offices: Utilize free resources available in your state to identify certified diverse suppliers without membership fees.
- Self-certification - Does your company accept? Why and why not?



## **Inclusive Onboarding & Supplier Pool:**

- Develop an onboarding process to identify and invite diverse suppliers into a pool, building long-term partnerships and steady engagement.
- Category Manager/Stakeholder strategy and pre-RFP pre-screening, invitation, and vetting process

**Adding just one diverse supplier to your RFPs isn't enough. 1:5 - only a 20% probability**

# SWITCH TOPIC - LET'S DISCUSS RISK

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What has disrupted your supply chain in the past 5 years? Yes, yes - COVID!  
What else?

Weather? Strikes? Political? War? Cyber Attacks? Freight delays?  
Regulations?

**Custom-tailored Stress Scenarios:** Stress tests must be customized to industry, size, and specific operational nuances, ensuring relevance and practical insights.

**Quantifiable Risk Assessment:** Clear metrics quantify supplier exposure from different stress scenarios, allowing for a data-driven approach to risk management.

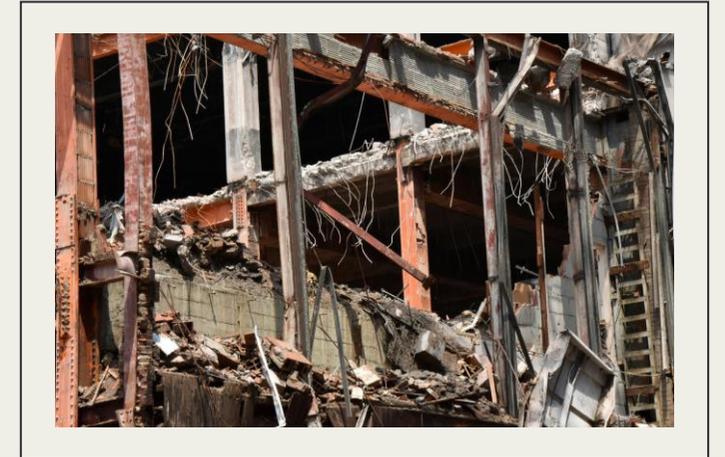
**Business Continuity Strategy:** Ensure minimal disruption to operations.

**Competitive Advantage Through Preparedness:** Enabling you to maintain customer trust even during crises.

**Continuous Improvement Loop:** Establish an ongoing process that reviews and refines stress tests and mitigation strategies, keep you supply chain robust against an evolving risk landscape.

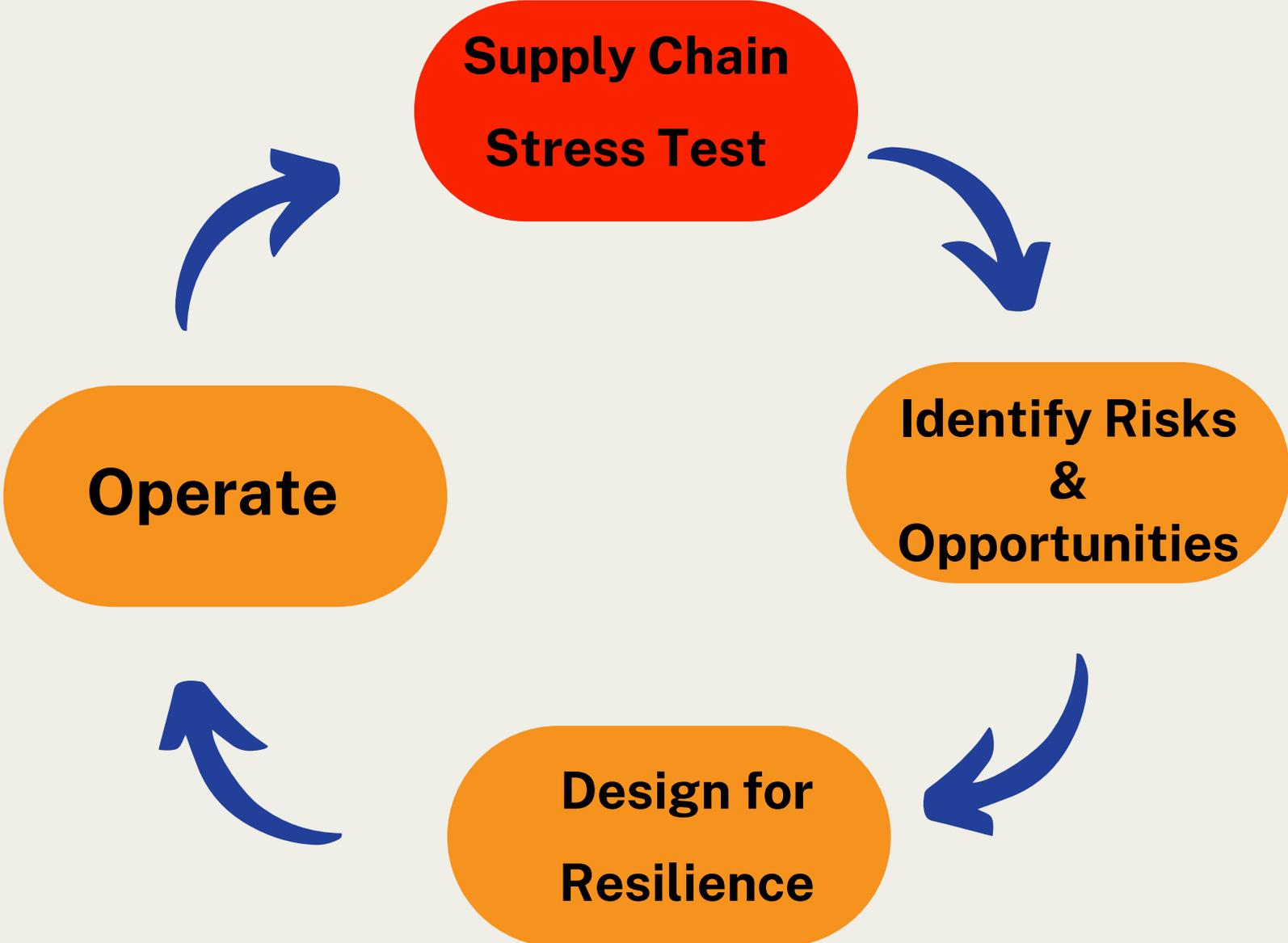
[“The essence of risk management lies in maximizing the areas where we have some control over the outcome while minimizing the areas where we have absolutely no control over the outcome.”](#)

[- Peter L. Bernstein](#)



# Supply Chain Stress Testing & Designing Resilience

Stress testing, identifying risks & opportunities, and designing for improved resilience is an ongoing, iterative process.



# MORE RISK AVOIDANCE IDEAS

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- Analyze past supply disruptions and impacts to perform root cause analysis on key drivers
- Perform a baseline assessment on risk management methods
- Evaluate supplier relationship management and category management processes
- Establish plan for developing stress tests and risk mitigation including integration with core procurement processes

# SMALL BUSINESSES CONCERNS

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**Delayed Payments:** Suggestion - pay certified companies with 15-day terms.

**Complex Bureaucracy:** When and why is this necessary?

**Communication:** Over-communication includes over listening.

**Rigid Contract Terms:** Do the terms meet the needs and make sense?

**Lack of Personalization:** Personalization is where the relationships sit with all businesses.

If you believe a business is built on relationships,  
make building them your business.”

– Scott Stratten



# Thank you!

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**IT WILL BE OUR PLEASURE TO SERVE YOU**

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