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ALABAMA'S TRADE ASSOCIATION FOR ALABAMA'S MANUFACTURERS

THE MISSION ISN'T IMPOSSIBLE

Why Supplier Diversity makes good business sense and why more industries are making it happen



Answering the call for
diversity in the modern
workplace





Supplier Diversity

supplier diversity is a business strategy that ensures a diverse supplier base in the procurement of goods and services for any business or organization. It emphasizes the creation of a diverse supply chain that works to secure the inclusion of diverse groups in the procurement plans for government, not-for-profits, and private industry.

In other words, supplier diversity refers to a supply chain that incorporates businesses owned by diverse individuals or groups.



Supplier Diversity Adds Value to your Organization

First and foremost, supplier diversity programming adds economic value because it encourages the growth of diverse businesses. Diverse businesses typically encounter barriers that challenge their startup and sustainability efforts, such as access to capital and networking opportunities, and effective supplier diversity strategies can alleviate these pain points.

Measuring the Impact Of Supplier Diversity on the Community



Spending With Diverse Businesses



Economic Impact Of Your Program

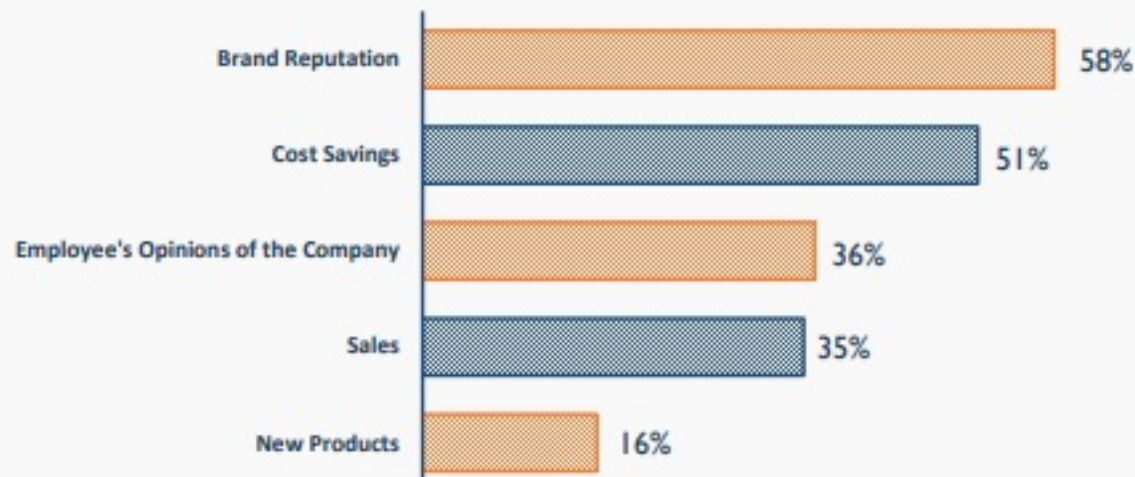


Job Creation At Diverse Businesses

Corporate Benefits of Supplier Diversity

Supplier Diversity yields benefits to the top and bottom lines by increasing brand value and reducing costs. Studies also show that it benefits corporate culture and inclusion efforts and improves employees' perception of the company

Measures companies utilize to track the impact of Supplier Diversity on their company



Meet our Supplier Champions



Tiffany Lovelace
SUPPLIER DIVERSITY
DIRECTOR
REGIONS BANK



Glenda Thomas
SUPPLIER DIVERSITY
MANAGER
ALABAMA POWER



Martina Winston
VP HEAD OF TALENT & DEI
PROTECTIVE LIFE

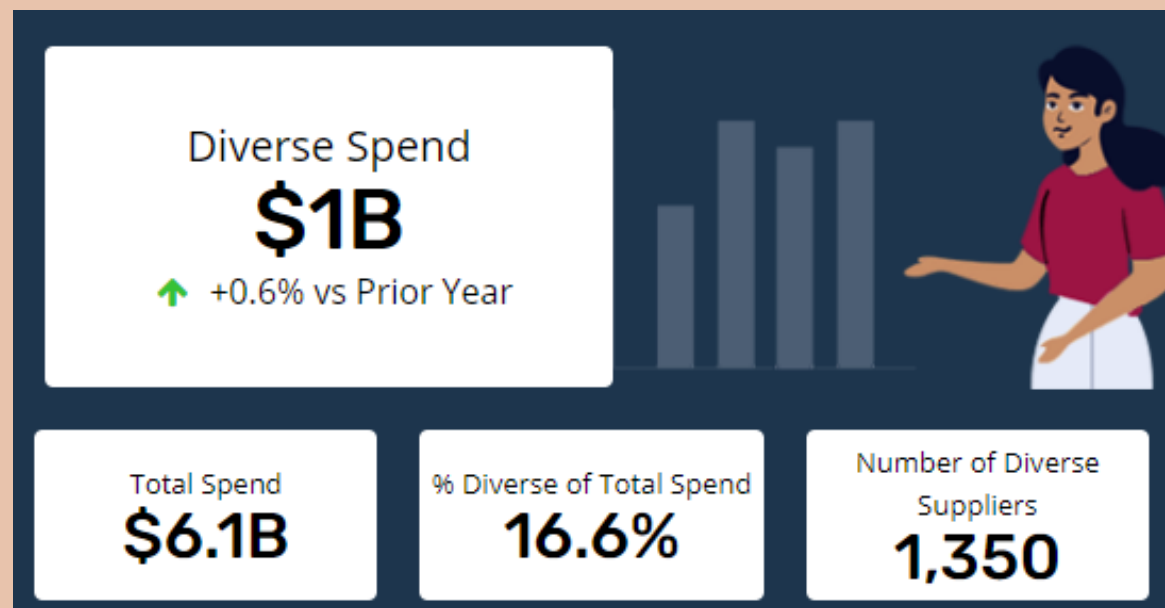


Emanuel Veazy
MANAGER OF SUPPLIER
DIVERSITY
MOTION INDUSTRIES

“This position offers an opportunity to be able to make an impact at an enterprise level,” said Lovelace. “As we move forward, it becomes clearer to think of supplier diversity as an approach for delivering business value by creating an opportunity and increasing innovation and competition while supporting the communities that make our company successful.”

What is Supplier Diversity Spend?

Diverse supplier spend, often phrased as diverse spend, describes the procurement dollars spent exclusively with small and diverse businesses, often conveyed in a dollar quantity or proportion of total procurement spend.



7 Best Practices for Supplier Diversity Programs



- **Set Benchmark Goals**

Creating an effective supplier diversity program begins with establishing goals that align with your company's values.

Setting meaningful goals ties supplier diversity to business strategy for the organization as a whole. Your goals should be reasonable and achievable, help to identify weak areas that need improvement, challenge the status quo and discourage complacency, confirm the need for change, and provide strong motivation for change. This last point is critical to establishing employee buy-in.



2. Identify Proven Diverse Business

One of the first things you should do after setting your supplier diversity goals is to find out which of your suppliers are certified diverse businesses. You may be surprised to discover your company is already well on its way to meeting those spend goals.

Once you have identified these certified diverse suppliers, work on building your relationship and increasing spend with them.



WHERE AND WHO ARE THEY?

When you have maximized opportunities with your current diverse supplier base, the next efficient way to find proven firms is through a master database of small and diverse suppliers containing accurate, detailed supplier information. This database should allow searching for suppliers using any parameter you choose. It should help your internal teams, or even your prime suppliers, find diverse businesses by making it easy to locate



Minority Certifications

Minority-owned businesses

Woman-owned businesses

LGBTQ-owned businesses

Small disadvantaged businesses

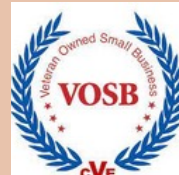
8(a)-certified businesses

Historically Underutilized
Business Zone (HUBZone)-
certified businesses

Veteran-owned businesses

Veteran-disability-owned
businesses

Small-business suppliers





Supplier Diversity Done Right

A+



A+



A+



A+



3. Collaborate and Communicate

Collaboration between your supplier diversity team and the various procurement and business units within your organization is key. Building relationships with those departments makes it easier to integrate supplier diversity into the normal flow of doing business.

Externally, collaboration could involve partnering with diverse supplier advocacy entities. Connect with your regional/local affiliate council about how your company can get involved.

2021 State of Supplier Diversity Report

Setting goals is a supplier diversity best practice, but it must be paired with a reliable system of tracking and reporting. Tracking spend with Tier 1 and Tier 2 suppliers is the most common metric, but consider going beyond these numbers to measure the program's impact on your entire organization. Cost savings, market share, corporate image, and revenue impact are all valuable metrics to measure the long-term success of your supplier diversity program.

Supplier Diversity

Supplier Count

23.91K

Product / Service Search

Search



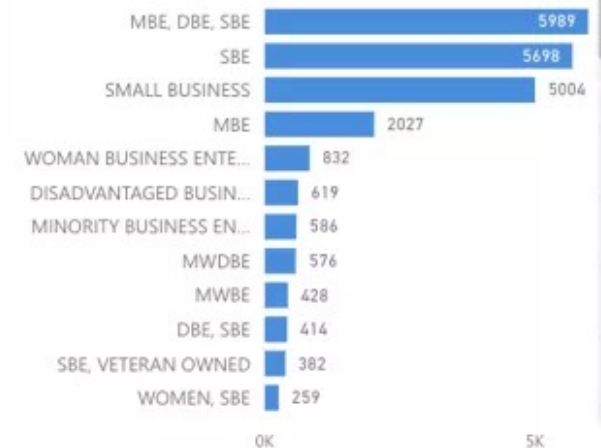
Top Categories

- ☐ Select all
- ☐ CONSTRUCTION
- ☐ CONSULTING
- ☐ FACILITIES
- ☐ FREIGHT
- ☐ INSURANCE
- ☐ IT & TELECOM
- ☐ SALES & MARKETING
- ☐ TRANSPORT

Suppliers Location



Supplier Count by Diversity



Supplier Details

SUPPLIER NAME	DIVERSITY TYPE	ADDRESS	CITY	CONTACT PERSON	PHONE NUMBER
WIOMAX LLC	MBE, DBE, SBE	18751 CURRY POWDER LANE	GERMANTOWN	ZUNJING WANG	2406680210
ASSA CONSTRUCTION SERVICES, LLC.	MBE, DBE, SBE	8805 OXWELL LANE	LAUREL	ZOUMANA KEITA	3013790611
WERIS, INC.	MBE, DBE, SBE	21515 RIDGETOP CIRCLE	STERLING	ZONGWEI TAO	7034291109
SURFBIGDATA, LLC	DBE, SBE	4474 FOXTAIL LANE	WESTON	ZIHAO LI (ANDREW)	9543535599
CDCI, INC	MBE	5868 HUBBARD DRIVE	ROCKVILLE	ZIBA PARSA	3019844221
PRECISE SOFTWARE SOLUTIONS INCORPORA...	MINORITY BUSINESS ENTERPRISE	1445 RESEARCH BLVD STE 500	ROCKVILLE	ZHENSEN HUANG	3401418



Spend Overview

Diverse Suppliers

Directs

Addressable

PO Data

Contracted

2018

01/01/2018

31/12/2019

All Suppliers

Indirects

Non-Addressable

Non-PO Data

Non-Contracted

2019



Spend
\$2.26bn

Suppliers
9,175

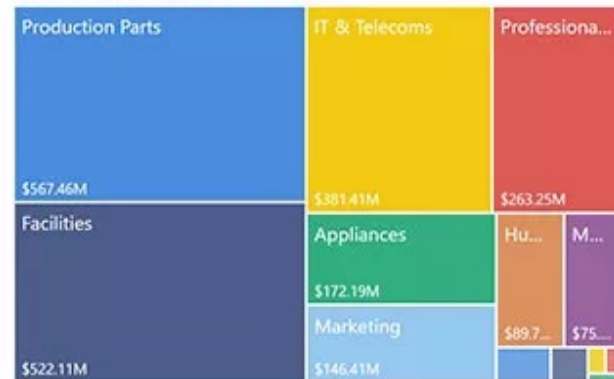
Transactions
159,118

PO Count
27,887

PR Count
23,241

Invoice Count
92,822

Spend by Category Level 1



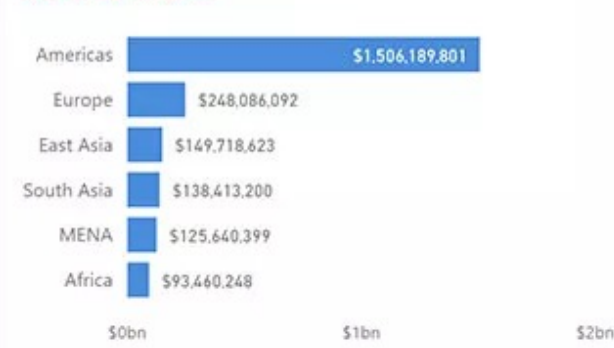
Spend Trend



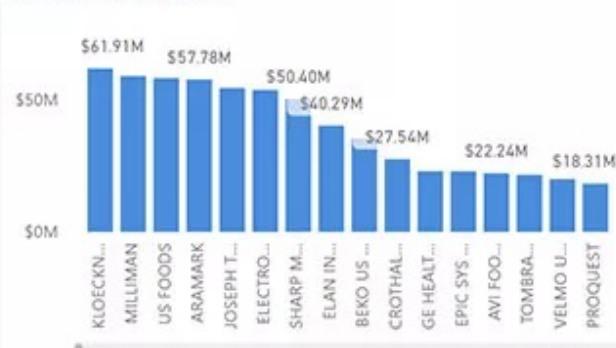
Pareto Analysis



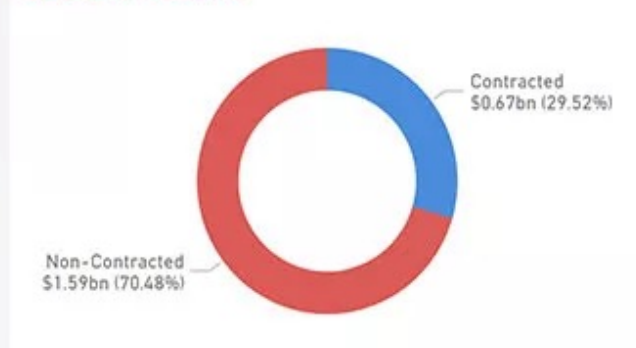
Spend by Region



Spend by Supplier



Spend by Contract



5. Organization- Wide Commitment

Maintaining a successful supplier diversity program requires support from the C-suite and commitment from the organization as a whole. This includes making sure the supplier diversity program has high visibility within your company, training and educating the various business units on how supplier diversity works, being accountable at all levels and in all departments, and including diverse suppliers in conversations around the supply chain.



6. Company Integration

The simplest way to ensure supplier diversity is part of every aspect of your business is to set goals that drive participation. You probably know that you will need to work with procurement teams in all categories to seek out and include diverse suppliers, but don't forget the rest of the supply chain.



Teamwork makes the dream work



Reduce the Racial Wealth Gap

Support the diverse suppliers where you already have relationships and contracts. Find ways to shift your spending to give these vendors more of your business.

1

Increase Tier II Spend

Tier II spend refers to the payments to the suppliers of your suppliers. The Billion Dollar Roundtable identifies a Tier II program as an essential best practice of a mature supplier diversity program, offering opportunities for greater impact throughout the supply chain. According to figures released at the 2017 BDR Summit, consolidated Tier II diverse spending among corporate members for 2016 was \$22 billion.

2

6 WAYS TO SUPPORT SUPPLIER DIVERSITY

Hold Your Suppliers and Yourself Accountable

Many large companies vocally support minorities and their diverse cultures but practice policies that keep systems of injustice intact. You should also demonstrate your own progress.

3

Increase Visibility and Representation of Diversity

The #BlackLivesMatters movement is everybody's movement. Diverse groups are supporting each other so that this time people will take action and change the status quo. Today we are acknowledging the reality that #AllLivesMatter.

4

Celebrate Diversity

Many entrepreneurs start businesses inspired by the richness of their culture itself—ethnic clothing stores, hair care, and make-up products, food. Think broadly. Why reward a team for a job well done with plastic trophies and certificates that collect dust. Treat them to dinner at some of the best ethnic restaurants in town. Or bring the experience to them with catering or food trucks.


5

Foster Job Creation

Among US firms, 99.9% of small businesses, and 50% of those are women- and minority-owned. In 2018, the unemployment rate for African-Americans fell to 6.6%, which was higher than other minority groups and almost double that for white Americans.

6

Supplier Diversity Could Add \$280 Billion To The U.S. Economy




Referring to a study put forth by the Department of Commerce, shows that this budding minority population will account for as much as 70% of the entire increase in buying power from 2000 to 2045. Why wouldn't a business want a portion of that customer market?



50%

Among US firms, 99.9% of small businesses, and 50% of those are women- and minority-owned.

CultureBanx reported that diverse supplier representation will contribute to the long-term success of the U.S. economy. Specifically, the report found that if 40% of the \$50 billion that companies have pledged to Minority/Woman Owned Business Enterprises (MWBEs) went into these sectors, that would equal \$20 billion in revenues for MWBEs. This would bring some 190,000 jobs and \$15 billion in income for minority communities.





Supplying Corporate America With Diversity:

Citi has an Action for Racial Equity plan that includes \$50 million in impact investing capital for Black entrepreneurs, \$350 million in procurement opportunities for Black-owned business suppliers, and \$50 million in growth capital to Minority Depository Institutions (MDIs). Even Facebook has committed a broader \$1.1 billion investment in Black and diverse suppliers and communities in the U.S.

Resources

Websites of Diverse Supplier Organizations and Certifiers:

National Minority Supplier Development Council (NMSDC)

Women's Business Enterprise National Council (WBENC)

National Women Business Owners Corporation

National Association of Women Business Owners (NAWBO)

National Gay & Lesbian Chamber of Commerce (NGLCC)

United State Hispanic Chamber of Commerce (USHCC)

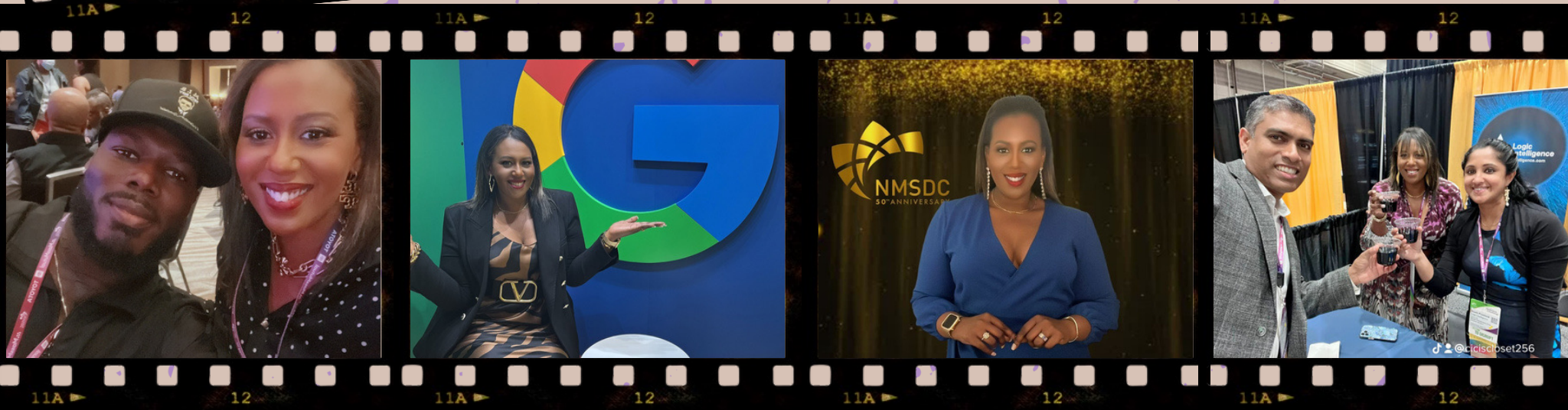
Asian Pacific American Chamber of Commerce (APAAC)

Native American Chamber of Commerce (NACC)

Vets First Certification Program (for veteran-owned small businesses)

U.S. Business Leadership Network (USBLN, for disabled-owned small businesses)









TALK TO US

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Thank You