

How to Build a Strong, Well Developed Supplier Diversity Program

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Abstract. Corporations look to supply chain management to ensure that their supplier diversity efforts are successful. Does your organization have a supplier diversity program in place? Is it producing the results that you would like? Are you starting a newly created supplier diversity program and would like to design it to ensure success? Do you think that your program is successful, but it takes a lot of effort to realize such success? Does your program require significant effort to realize even limited results?

If you answered yes to any of these questions, this workshop is for you. In this “how to” workshop, we will provide examples and concrete steps to build a strong, well developed supplier diversity program.

Objectives. This presentation is positioned for the seasoned purchasing professional, as well as for those early in their purchasing careers. Participants can expect to gain insight and some “how to do” specifics from proven, successful purchasing practitioners.

Many other workshops address the topic “Why we should have a supplier diversity program.” They emphasize that it makes good business sense, or that it is the right thing to do, or that it is our community responsibility. We want to have a great supplier diversity program, but how do we accomplish it? What steps should we take to achieve our goals? Where do we go for help? What really works? This presentation will focus more on how rather than why.

Successful and meaningful supplier diversity is more than just a program. It has now evolved to a process. The old model 20th century value proposition focused on government compliance, being a good corporate citizen and just because it was “the right thing to do.” We called these efforts minority purchasing. Today, in the 21st century, we identify the value proposition as supplier diversity. It reflects good business acumen and establishes the process to strengthen our supply chain, advance market penetration and augment community commitment. Today, business recognizes the importance of a diverse supplier base and its impact on the business community and the population at large. We recognize that the demographics of our supplier base should match the demographics of our customer base. At American Honda, as a part of our social responsibility, we have what we call our “2010 Vision.” It simply states, “To be a company that society wants to exist.”

What benefits does a supplier diversity process bring to the corporation? The growth and success of a company is directly related to the core philosophy of delivering the highest possible value to its customers through quality products and customer service. This success would not be possible without the same commitment from its suppliers. Supplier diversity strengthens the supply chain.

In this presentation, participants will explore tried and proven steps to a successful supplier diversity process. We will cover the following eight major keys that have resulted in unprecedented growth in supplier diversity spend. For each key, we will drill down to identify steps to achieve your diversity objectives.

Eight Steps to Build a Strong, Well Developed Supplier Diversity Program

- Executive Support - We will identify how to involve executive support. What will that support expect from supplier diversity? We will also review a diversity policy statement. If you have a diversity policy statement, what does it or should it say about your organization?
- Business Objectives – We will address how business objectives can be designed to be both a guide and a motivation to achieving your diversity goals.
- Individual Goals – We will evaluate the difference between when an organization has only a department objective versus when everyone has an ownership responsibility. We will examine who in an organization should have a role in supplier diversity. Our focus will be on improved results when more individuals and the best individuals are involved.
- Education – Some examples of education and how they will benefit your process will be reviewed. We will discover who should be educated and how they might be educated to achieve the best results.
- Accountability - Accountability as a motivation and a commitment to the process will be discussed. We will also address how results may be captured and recorded. Examples on using automated ERP systems to capture spend data will be shared. We will discuss the various methodologies utilized to measure supplier diversity spend.
- Celebrating Accomplishments - Accomplishments should always be recognized; everyone likes a thank you. We will examine the positive impact of teamwork and recognition on various levels.
- Development of MBE Core Competencies - Working with your suppliers to ensure that they are competitive and competent is a win-win for all. We will address strategic alliances, mentoring and non-traditional areas for diversity spend. We will focus on “value added” by MWBE suppliers.
- Involvement – We will address the following questions:
 - How do we find diversity suppliers?
 - How should we know if the ownership of a supplier qualifies as a diversity company?
 - What is a “certified minority business”?
 - How can we actively live our policy of maintaining an open door and seeking inclusion opportunities for those companies desiring to provide goods and services to our company?
 - How does involvement in diversity organizations benefit our organization?

One of the keys to success in supplier diversity is involvement in numerous Minority and Woman Business Enterprise (MWBE) organizations. The primary goal of minority business organizations is to provide the vehicle for exposure of their member supplier companies for introductions, connections and networking. These organizations are more than just a roster of members. We will address how to utilize these organizations to get to know diversity suppliers and to link us to qualified and certified suppliers. We can use these organizations to educate suppliers to become more competitive. Effective inclusion demands active involvement in both numerous MWBE organizations as well as with numerous MWBE suppliers.

This “how to” workshop will provide many examples and sure steps to ensure your supplier diversity process is crafted for success.

References.

Website references:

National Minority Supplier Development Council, Inc., (NMSDC), <http://www.nmsdc.org/>
CAPS, Center for Strategic Supply Research, <http://www.capsresearch.org/>