

## Supplier Diversity

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*June 16th, 2009*

We have come a long way in understanding what diversity means to business and since President Johnson signed an executive order mandating Equal Employment Opportunity and Affirmative Action in the late 1960s. The United States Census Bureau predicts that 40% of the population will be comprised of minorities by the year 2012, and by 2050 foreign born immigrants will account for 67% of the nation's population growth. These figures portend the continued growth of minority suppliers which presents the opportunity for procurement to discover the untapped value diverse suppliers bring to the bargaining table.

Today, diversity is a business necessity, not just the "right thing to do". Small and minority-owned businesses make up the fastest growing segment in the United States economy. Corporations are multi-cultural entities which serve an increasingly diverse customer mix. Supplier diversity provides procurement the opportunity to draw from a wider pool of suppliers to select the best possible talent for meeting their company's requirements for purchased goods and services. As these relationships flourish, the economy is strengthened creating a Win-Win situation for all involved.

Procurement has the opportunity to lead in developing Best Practices for diverse supplier development. RFP's should consciously include diverse suppliers. Perhaps some diverse supplier's capabilities will not allow them to compete for a large requirement. However, in these cases, they might still be included as a 2nd tier supplier. Ask your large contractors to support minority supplier development through subcontracting. Over time, participation as a tier 2 supplier may provide the growth and development opportunities which allow a minority-owned company to reach tier one status.

In today' s economic climate where buyers are striving to reduce their supply base, awarding business to minority suppliers may seem counter productive. However, one must remember that developing diverse suppliers is a long term goal that makes good business and economic sense.

You may consult the following resources when seeking diverse suppliers: Association for Service Disabled Vets (ASDV), Small Business Administration (SBA), National Minority Suppliers Development Council (NMSDC), Women's Business Enterprise National Council (WBENC) and US Pan Asian American Chamber (USPAAC).

To compete in the global marketplace today you need a strategic plan for developing a supplier base.Â Diverse companies have been proven to offer substantial value. Get out of your comfort zone!

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