

2018 Summit Best Practices Assessment

Current run (last updated Oct 1, 2018 1:09pm)



Select your industry / market classification

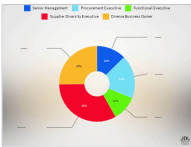


Response options	Count	Percentage
Construction	1	1%
Entertainment/Media	1	1%
Financial	1	1%
Food/Agri-Business	4	5%
Health Care/Medical	13	15%
Manufacturing	16	18%
Pharmaceutical	4	5%
Retail	7	8%
Telecommunications	3	3%
Technology/IT	3	3%
Utilities	4	5%
Non-profits/Non-government Organizations (NGOs)	10	11%
Diverse Suppliers	21	24%



88 Responses

Select your role in the supplier diversity ecosystem

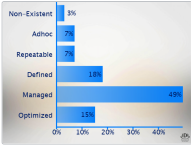


Response options	Count	Percentage
Senior Management	13	13%
Procurement Executive	19	18%
Functional Executive	11	11%
Supplier Diversity Executive	34	33%
Diverse Business Owner	26	25%



103 Responses

The corporation has established a supplier diversity policy and garnered top management support

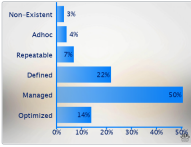


Response options	Count	Percentage
Non-Existent	3	3%
Adhoc	7	7%
Repeatable	7	7%
Defined	18	18%
Managed	49	49%
Optimized	15	15%



99 Responses

The corporation has developed an organization-wide supplier diversity plan



Response options	Count	Percentage
Non-Existent	3	3%
Adhoc	4	4%
Repeatable	7	7%
Defined	22	22%
Managed	51	50%
Optimized	14	14%



101 Responses

The corporation has established comprehensive internal and external communications processes for supplier diversity

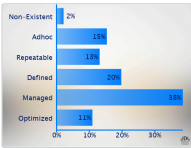


Response options	Count	Percentage
Non-Existent	1	1%
Adhoc	9	9%
Repeatable	11	11%
Defined	25	26%
Managed	42	43%
Optimized	9	9%



97 Responses

The corporation has identified opportunities for diverse suppliers in strategic sourcing and supply chain management

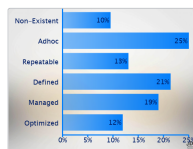


Response options	Count	Percentage
Non-Existent	2	2%
Adhoc	14	15%
Repeatable	12	13%
Defined	18	20%
Managed	35	38%
Optimized	10	11%



91 Responses

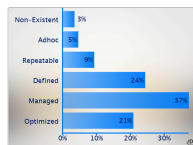
The corporation has established a comprehensive diverse supplier development / capacity-building process



Response options	Count	Percentage
Non-Existent	8	10%
Adhoc	21	25%
Repeatable	11	13%
Defined	18	21%
Managed	16	19%
Optimized	10	12%



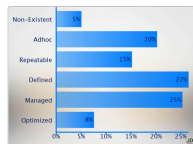
The corporation has establish tracking, reporting and goal-setting mechanisms



Response options	Count	Percentage
Non-Existent	3	3%
Adhoc	4	5%
Repeatable	8	9%
Defined	21	24%
Managed	32	37%
Optimized	18	21%



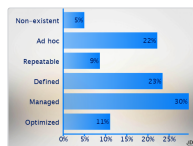
The corporation has established a continuous improvement process



Response options	Count	Percentage
Non-Existent	4	5%
Adhoc	16	20%
Repeatable	12	15%
Defined	21	27%
Managed	20	25%
Optimized	6	8%



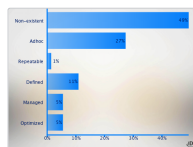
The corporation has a second-tier process that requires prime suppliers to purchase from diverse suppliers



Response options	Count	Percentage
Non-existent	4	5%
Ad hoc	18	22%
Repeatable	7	9%
Defined	19	23%
Managed	24	30%
Optimized	9	11%



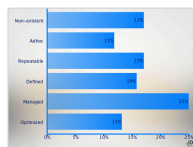
The corporation has established a supplier diversity initiative that supports HBCUs that includes leadership commitment, resources, contract language, goal setting, training, reporting and audit, consequences for not meeting goals.



Response options	Count	Percentage
Non-existent	36	49%
Adhoc	20	27%
Repeatable	1	1%
Defined	8	11%
Managed	4	5%
Optimized	4	5%



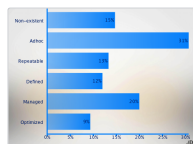
The corporation has established a supplier diversity initiative to support government regulations that includes leadership commitment, resources, contract language, goal setting, training, reporting and audit, consequences for not meeting goals.



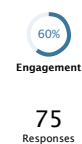
Response options	Count	Percentage
Non-existent	13	17%
Adhoc	9	12%
Repeatable	13	17%
Defined	12	16%
Managed	19	25%
Optimized	10	13%



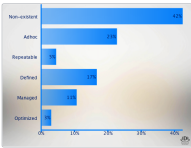
The corporation has established a supplier diversity initiative to support sustainability indexes that includes leadership commitment, resources, contract language, goal setting, training, reporting and audit, consequences for not meeting goals.



Response options	Count	Percentage
Non-existent	11	15%
Adhoc	23	31%
Repeatable	10	13%
Defined	9	12%
Managed	15	20%
Optimized	7	9%



The corporation has established a international supplier diversity initiative that supports historically-underutilized population groups around the world that includes leadership commitment, resources, contract language, goal setting, training, reporting.



Response options	Count	Percentage
Non-existent	28	42%
Adhoc	15	23%
Repeatable	3	5%
Defined	11	17%
Managed	7	11%
Optimized	2	3%



Please describe a great example of the application of the best practice: Establish policy and top management support.



Responses

Our firm has established a Supplier Diversity Policy that is signed off by senior management.

ESTABLISH CORPORATE POLICY AND TOP CORPORATE MANAGEMENT SUPPORT
Rationale: Management defines and documents minority supplier policy, including annual performance goals, accountability, and corporate commitment to increasing minority supplier utilization.

MetLife has as a policy the "Rule of One". This requires at least one diverse supplier to be included in category/commodity strategies and request for quotes.

N/a N/a N/a N/a

Identify opportunities for diverse suppliers in the strategic sourcing process. N/a N/a

Mature programs in regards to education, participation, and communication of SD initiatives. Trade show and conference participation as well as goodwill and outreach on the client side remain high.

Improvement in the area of identified, qualified MBE database to connect said vendors with actual opportunities. This is currently a manual process that could use greater efficiency to ensure the majority of opportunities have viable matches.

Best Practice
1) Share Strategic Plans with Big Companies and Diverse Suppliers
a. Business Lines, Category Basis,
2) Bring on new suppliers for Development
a. Risk Mitigation - Pipeline
3) Identify the Pipeline
a. Tradeshows, Category Plans
4) Share successes and share with Suppliers
5) Supplier Day of Development - talking about what and why we are doing
a. Existing and Potential Suppliers
6) ☒ Yes

What should be included in the next book?
1) Risk Mitigation
2) Inclusion Strategy
3) Supplier Day of Development - meeting with suppliers
4) Feedback for Suppliers - need a loop
5) Identified plan for Supplier Development Program
6) Identified SRM Program

Saken Pillay @ Boston Scientific
Terry Oday @ Boston Scientific
Nalini Batra @ P&G
Neeraj Shah @ supplier.io
Leamon Sowell @ Sowell Law Partners

Develop an organization-wide supplier diversity plan
Diverse suppliers - out of 4, 2 of the larger diverse companies had this best practice even though they have this. One company actively seeks out diverse suppliers. Another has defined categories where they seek out suppliers. One also has a scholarship plan to support growth of women suppliers.

P&G - Use Councils to develop best practices, and find suppliers. Bring buyers to conferences to find suppliers. One buyer for each industry.

Encourage suppliers to be certified.

P&G has a supplier registration database. Vast but not very useful. "Diverse supplier portals are a black hole."

"Do you track new suppliers that you engage and find suppliers at conference?"
"Not getting benefit from NSMDC - maybe not direct ROI but can help manage relationships"

BosSci Set goals by commodity and ask for supplire diversity strategy for each strategy.
Goals by suppliers and spend.

P&G - have goals also by commodity.

Relevant topics for the next book:
What is the future of supplier diversity? Do the programs need to continue develop or will they reach maturity
What is the evolution of supplier diveristy? Always continue to grow - Tier2 and International.
What are corporations doing to grow and develop businesses? Are we happy with a few large suppliers or do we count on increasing. Should corporations develop on supplier development and not just on spend.

Not the scribe

Achievement of goal tied to performance reviews we found this to be one of the most important best practices to achieve increase in diverse spend.

Having a policy where there must be at least one diverse supplier included in every quote or category strategy.

Cvs



Please describe a great example of the application of the best practice: The corporation has developed an organization-wide supplier diversity plan.



Responses

One example of an organization wide supplier diversity plan is our how firm has established a Supplier Diversity plan at a corporate level with an emphasis on category management plans. These plans regulate the buying activities of our commodity team across the enterprise and each plan must have a focus on Supplier Diversity before it is approved by the SVP of procurement.

Larger companies communicate needs well. Would like to see smaller companies increase communication visibility and increase methods of communication.

Discuss the importance of articulating long term plans for supplier inclusion. What are the upcoming opportunities?

Best Practice

- 1) Share Strategic Plans with Big Companies and Diverse Suppliers
- 2) Bring on new suppliers for Development
- 3) Identify the Pipeline
- 4) Share successes and share with Suppliers
- 5) Supplier Day of Development - talking about what and why we are doing
- 6) Identified plan for Supplier Development Program

What should be included in the next book?

- 1) Risk Mitigation
- 2) Inclusion Strategy
- 3) Supplier Day of Development - meeting with suppliers
- 4) Feedback for Suppliers - need a loop
- 5) Identified plan for Supplier Development Program
- 6) Identified SRM Program

Executive action planning tied to performance objectives engaging diverse supplier capacity building initiatives.

Improve communications to MBE, buyers and users

Establish a gating process that requires senior leadership sign off

What should BDR put on book?

Today one of the most valuable best practices is not included in the book: The BDRV TRIad collaboration. It should be integrated into the best practices

We also should emphasize the alignment of business strategy priorities with supplier diversity, alongside clear metrics.

N/A See written document Yes



Please describe a great example of the application of the best practice: The corporation has established comprehensive internal and external communications processes for supplier diversity.



Responses

This is an area of focus for UnitedHealth Group in 2018. (Still in process).

CVS, P&G, and Bank of America have great supplier diversity communication processes.

How can you show case the journey of the suppliers trying to become a diverse supplier to corporations. Speak about the Timeline from introduction to execution of a contract. Give examples of short and long timelines.

Internal conversation must meet the external expectations

Establish comprehensive diverse supplier development / capacity building process

Challenge

- Responsibility appears to fall on the sourcing manager's role; however, you need a more expert dedicated resource to create, focus, and sustain the effort.
- Multiple mentoring options/Haphazard - which is the best place for capacity building
 - o Academic - Business Schools/Scholarships
 - o Federal Government, State, and Local developmental programs
- Large Corporations have built independent mentoring initiatives; however, the impact remains small based on the volume of suppliers they can effectively engage. Limits capacity building among a broader option.
- What diverse category to focus on? Concern re timeline to grow scale is too long.

Opportunity

- Define what capacity building means
- Not the corporations job to make suppliers ready
- Who can deliver on the best capacity building - 3rd party entities to create and manage
- Centers of Excellence to fund it - Community relations, marketing, CFO, etc.
- Requires investment
- Corporations could create mentor/mentee within their own supply base (Diverse2Diverse, Non-Diverse2Diverse, etc.) Creating an ecosystem of suppliers
- Invest in it, or co-build it
- Identification of supplier's developmental needs
- How to scale the solution to maximize the most engagement

Answer for the Mentoring section:

Identity Opportunitites - Companies actively seek out feedback from their current supplies on how to increase opportunities. Staying engaged by attending various conferences to ensure they have awareness of industry needs, changes and opportunities.

Engage a communication strategy for supplier diversity impact revenue and business development work streams. Supplier diversity isn't only about for procurement and spend!

Companies in our table: Boeing, AT&T, Macy's, SagePath, Sage, Key Lime Interactive

Our table focused on: Integrate Supplier Diversity into Sustainability Initiatives

-Corporation Reports Sub-Point:

- AT&T has started to ask vendor to self-report company demographics as way to ensure a mix.
- Vendors discussed that typically we update supplier applications on an annual basis.
- It would be good if NMSDC and WBENC level so that the Corporations can pull demographics information
- Environmental stewardship part of the sustainability - Boeing makes this part of their supplier representations and application process.
- We discussed including GRI (Global Reporting Initiatives) requirements for Supply Chain for purchase products within Supplier Diversity (not only at the corporation level).

We also talked about Tier 2 Programs.

- Oversight of second tier 2 but not always universally reported or monitored
- Overwhelming support for mentoring, training, and developing tier 1 and tier 2 suppliers.

N/A



Please describe a great example of the application of the best practice: The corporation has identified opportunities for diverse suppliers in strategic sourcing and supply chain management.



Responses

We have established a process, in which our sourcing teams must include a minimum of one diverse supplier in every sourcing event. This metric is included in our buyer's performance goals and is measured on a monthly basis.

Johnson Controls purchase plan review meetings are great ways to identify opportunities for diverse suppliers and to develop a forecast of diverse spend results.



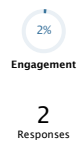
Please describe a great example of the application of the best practice: The corporation has established a comprehensive diverse supplier development / capacity-building process.



Responses

We do not have a capacity building process in place, at this time.

The NMSDC Centers of Excellence business module is an excellent platform for supplier development and capacity building.



Please describe a great example of the application of the best practice: The corporation has establish tracking, reporting and goal-setting mechanisms.



Responses

We established our Supplier Diversity goal setting process in 2011 and each commodity team has Supplier Diversity as a part of their yearly performance evaluations. Targeted goals are established each year, monthly metrics are tracked and reported to senior leadership.

The Johnson Controls "Stake-In-The-Ground" process is a great way to track spend, forecast results and hold teams accountable.

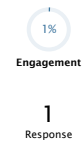


Please describe a great example of the application of the best practice: The corporation has established a continuous improvement process.



Responses

Supplier Diversity results are reviewed each year with the SVP of procurement and process improvements are established as a part of the Supplier Diversity goals for the upcoming year.



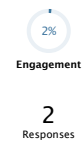
Please describe a great example of the application of the best practice: The corporation has a second-tier process that requires prime suppliers to purchase from diverse suppliers.



Responses

We established a Second Tier program that requires our top prime suppliers to establish Supplier Diversity programs of their own. This information is tracked each quarter in our online reporting system. We embrace Supplier Diversity and expect our strategic supplier partners to do the same.

GM's and Fiat Chrysler's second-tier tool (Unitier?) is pretty good.



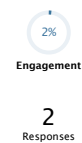
Please describe a great example of the application of the best practice: The corporation has established a supplier diversity initiative that supports HBCUs.



Responses

We support HBCUs with support dollars, but do not have a formal process in place as a part of our Supplier Diversity program at this time.

The processes used by Raytheon and Boeing for HBCUs are pretty good.



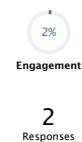
Please describe a great example of the application of the best practice: The corporation has established a supplier diversity initiative to support government regulations.



Responses

Our Supplier Diversity program supports the regulations of our government customers with the assistance of diverse supplier identification to meet proposal requirements and customer supporting upon request.

The processes used by Raytheon and Boeing for public sector supplier diversity are pretty good.



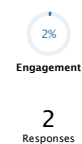
Please describe a great example of the application of the best practice: The corporation has established a supplier diversity initiative to support sustainability.



Responses

Our Supplier Diversity program supports the regulations of our customers with Sustainability request, but we are in the beginning phases in the area of Sustainability and Supplier Diversity.

Johnson Controls and Eaton's processes for linking supplier diversity and sustainability are pretty good.



Please describe a great example of the application of the best practice: The corporation has established an international supplier diversity initiative.



Responses

In process.

IBM, Marriot, Proctor & Gamble have great international supplier diversity initiatives.



What should we include in the next BDR book?



Responses

Current benchmark survey results would be a great inclusion for the next BDR book.

A discussion about the skills required to be a successful supplier diversity practitioner would be helpful.



Second -tier Supplier Diversity is a hot topic, what issues should the BDR consider as we recommend guidelines for practitioners going forward?



Responses

Corporations shouldn't rely on a Second Tier program to replace the impact of their first tier spending. This is a slippery slope for Supplier Diversity executives to acknowledge.

