

THE SPARK

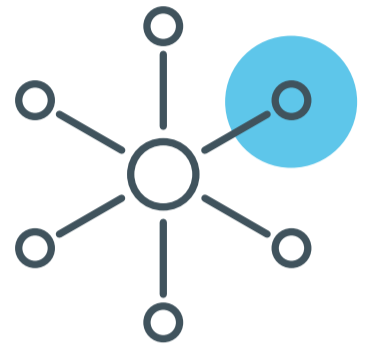
Sourcing and Procurement Flash Report

DECEMBER 2020



SUPPLIER DIVERSITY

A Top Priority for 2021: Solidify your Supplier Diversity Program



As companies seek to play a more active role within the communities they serve, it's imperative to hire diverse talent. Doing so can enhance your brand and create an inclusive procurement team that delivers broad societal benefits by generating economic opportunity for disadvantaged communities. Once that talent is in place, securing diverse supplier relationships that serve as a positive extension of your company needs to be the priority.

Engaging your supply base in a context of social responsibility is critical to ensuring an equitable playing field when customer demands, economic obligations, and community needs are constantly changing. While Supplier Diversity and inclusion has long been a noble goal of procurement, pressure from an increasingly savvy and socially conscious consumer base has pushed the focus on this initiative to the forefront for many businesses. Today, efforts must not only be focused on cost savings, but on doing the right thing for your community—which is ultimately the right thing to keep your business competitive.

Starting a Supplier Diversity program is a significant effort to initiate, as there is no shortage of suppliers looking to do business with and participate in these programs. However, using a strategic approach to identify, manage, and grow a diversity program is critical to lasting success. Our research shows that 1-3% of corporate spend can be classified as Diverse, representing between 5-10% of the total supply base. If you want to make a real impact, Supplier Diversity must be a balance of strategic supplier development with new and existing suppliers. That means specifically seeking out diverse suppliers to add flexibility and innovation to your supply chain, and send a message to your existing suppliers that if they want to continue doing business with you, they too, need to make diversity a priority.

Navigating the landscape of Supplier Diversity and how it reflects on your organization is becoming more important to customers, investors, and clients—which means it's more relevant to your company than ever. If your business plans to compete well into the future, growing a diverse supplier network shouldn't be a matter of why, but when do you get started and, as a result, it's why we recommend making this a top priority for 2021.



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We want to hear about your business challenges.

Contact thespark@logicsource.com to start the conversation.

