

Collaborative Engagement:



The Road to Supplier Diversity

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In spite of the fact that supplier diversity is now widely practiced in over 80% of America's corporations, many companies are still struggling to develop an effective strategy that earns team support. While there are a number of issues to be addressed, none of these, in my judgment, are as important as **collaborative engagement**. Even today, your associates need convincing so that they view supplier diversity as a core element of the company's growth and development. Most Supplier Diversity Managers are charged with affecting this important change but many are clueless as to how to go about leading these efforts of shared purpose.

That is why we're seeing diminishing supplier diversity results and even limited progress in some quarters, as those tasked with achieving the mission simply don't comprehend the importance of a well-informed, self-driven internal team. Companies that do succeed focus on behavioral change in alignment with their

organizational protocols. They accomplish this by adopting strategic teambuilding measures designed to build consensus around the mission.

This means you must move from a **reactive posture** to a **proactive one** by adopting initiatives that will incentivize commitment.

Collaborative engagement is the defining element of that change.

For more than three decades we have advised the leading corporations in supplier diversity, including several members of the Billion Dollar Roundtable. And, each of them routinely approaches the challenge of advocacy by engaging their team directly in the solutions-building process instead of directing them to act. All of this begins, of course, with senior leadership direction, which we all know, outlines corporate performance expectations. However, the vision for achieving supplier diversity goals may be set at the senior level . . . but where the rubber meets the road, is where it really gets done. And, frequently the executive message gets lost in the shuffle due to lack of personal conviction.

To be sure, you need **top down direction** coupled with **bottom-up**

credibility and this credibility must be earned. To achieve it, the team must view supplier diversity as a critical element of what they do. Leading companies like Delta Air Lines, American Electric Power and Kaiser Permanente follow strategic measures for accomplishing this goal. Your “out-reach” efforts are not nearly as important as “in-reach” if you want to generate stakeholders that will make supplier diversity . . . a reality!

Supplier Diversity Stakeholders and Their Roles

| Stakeholder | Functional Role |
|--|---|
| Executive Leadership | Senior leadership sets the stage and defines corporate expectations, as well as the vision to drive performance. |
| Supply Chain / Procurement Team | This team owns the purchasing and contracting process. Their responsibility is to limit risk and ensure best value in procurement decision-making. |
| Business Unit Leaders | Business Unit Leaders are focused on performance criteria that will achieve their Unit's mission and revenue targets. |
| Strategic Prime Suppliers | Strategic Prime Suppliers are critical stakeholders in categories where limited tier 1 opportunities exist. |
| Staff Associates across the Enterprise | Employees are the single most important stakeholder group. Through them we must build a base of Champions (enterprise-wide) to advocate and support the supplier diversity mission. |

Why is Advocacy Critical to Achieving Success in Supplier Diversity?

Supplier Diversity is both a corporate policy and a public responsibility. We can demand compliance . . . but we cannot mandate commitment . . . we must earn it! Put simply, supplier diversity won't succeed without the support and engagement of our stakeholders, including our customers, our constituents, and our strategic business partners.

Your responsibility is to generate shared interest that leads to shared results. The primary vehicle for accomplishing this is the formation of **The Supplier Diversity Advisory Council** . . . a cross-functional team drawn together to generate consensus over the scope and direction of the supplier diversity program. This advisory team allows broad-based input, feedback and collaboration. Once formed, the group becomes an active part in the solution through dialogue with the very Business units and departments that are expected to generate results. More importantly, the council promotes a clear and consistent organizational message

by sharing **the business case behind supplier diversity as an element of the mission.**

These strategies represent a blueprint for this important partnership because there is no better way to grow our customer base than to do business with them.

The entire team must view supplier diversity as a unique opportunity . . . not a burden, because it brings us closer to our customers by aligning our values with theirs. Using these methods, successful companies move the needle without the need for a regulatory or corporate hammer. They transition away from compliance-driven, knee-jerk requirements borne from government regulation . . .to the marketplace made possible by having a diverse customer-base that crosses all lines; racial, gender, age, ethnicity, and even generation. To be sure . . . we must broaden our base of stakeholders so that we are reaching everybody under one singular mission . . . **“generate customer value”**.

Tactical Initiatives Employed by Best in Class Companies

Some of the steps best in class companies employ to create an effective advocacy environment:

They Launch a Supplier Diversity Advisory Council: Cross-functional Advisors allowing BU feedback

They Adopt a Rewards & Recognition Process: Key Events designed to spotlight performance in supplier diversity

They appoint Departmental Champions: Internal Advocates across the enterprise

They establish Performance Incentives: Unique incentives designed to encourage & influence positive behavior

How to Earn Staff Support

The battle cry often heard from supplier diversity managers tasked with making a difference is to say, “We need executive leadership driving performance from the top.” And that is entirely true. But even when you have this executive leadership coming from the top, others may find a way or an excuse to keep missing the ball. When it comes to accomplishing something and you haven’t generated passion from the people responsible for making it happen . . . nothing gets done. In fact, you will get nothing but excuses justifying why it can’t be done. That is why it’s critically important to generate **stakeholder engagement** among the team to produce sustainable results. And, all of this begins with **passion**. Passion generates commitment and commitment leads to excellence. Passion is the one variable that you can’t demand . . . it is self-generated and here are three elements that companies attribute to a team that has it.

SUMMARY

Managing change is no small feat and it must be taken seriously if supplier diversity is to succeed. In particular, the elements (at right) will assist in earning the support and respect of the team, allowing you to engage them as partners in solutions-building. They represent the holy grail of supplier diversity excellence and almost every member of the Billion Dollar Roundtable have achieved their benchmark performance aided by these strategies. Put simply, when the team is a full participant in the process with skin in the game, they see the value of supplier diversity and it becomes a core element of the organizational DNA.

Our primary goal is to inspire change through broad-based collaboration. How the team perceives and embraces the mission, will, in large part, determine its success. We have found that the absence of these elements often results in failure. For supplier diversity to succeed, advocacy-building is essential, it is not optional.

Element #1

Passion is created when people have personal conviction about what they are doing, they are publicly applauded and rewarded for their service and they are inspired by success and positive change.

Without passion . . . there can be no success. Because passion leads to commitment and commitment generates success

Element #2

Commitment is generated when those affected by supplier diversity participate first-hand in its success. They personally witness this change and have had a hand in making it happen. This creates a ‘self-driven mindset’ that inspires action and leads to excellence.

Element #3

Rewards/Recognition/Commendation. The organization must visibly and actively commend performance beyond the norm to achieve the supplier diversity mission. Much of this is done in simple events involving senior leadership and department heads who come together to celebrate staff and suppliers helping the company to achieve its mission.

Reginald Williams is a highly regarded consultant to corporate management on supplier diversity with offices in Atlanta, GA. He is credited with coining the term “supplier diversity” in 1985.

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