

Peer Insights on Supplier Diversity

Views From Procurement Leaders



Many procurement teams are **focusing more on supplier diversity** as organizations move toward socially responsible practices.

Procurement’s not only trying to formalize supplier diversity ...

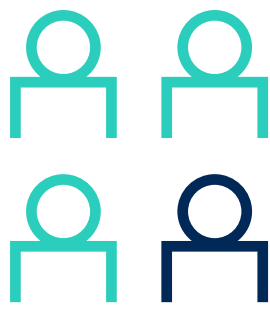
Q: “Do you have a formal supplier diversity program?”



57% of procurement leaders report they have a formal diversity program.*

... but also looking to expand supplier diversity initiatives.

Q: “To what extent do you intend to expand your use of diverse suppliers over the next 12-18 months?”



Three out of four procurement leaders are planning a moderate or significant expansion.*

However, some challenges hinder progress...

1

Unclear Metrics

55% of procurement leaders currently do not have specific requirements (e.g., MBOs) for strategic sourcing/CMs to source diversely.*

2

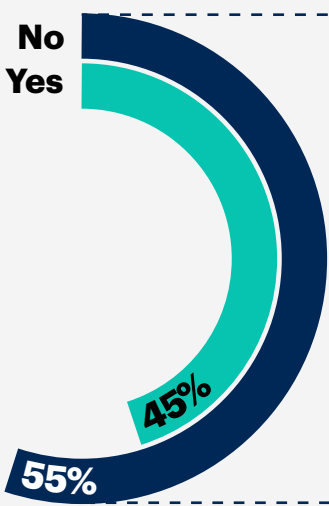
Unable to Find Diversity

40% of procurement leaders report that identifying qualified suppliers (either from a quality or volume capability perspective) is their biggest challenge.*

1

Most lack metrics, but plan to adopt more in the future

Q: “Do you currently have specific requirements (e.g., MBOs) for strategic sourcing/CMs to source diversely?”
Percentage of Procurement Leaders



-- Of those who don’t, majority plan to use them in the future

What Are We Hearing From Clients?



While many teams have diversity programs, they **do not currently have robust metrics** that track these programs’ effectiveness.



Most teams tend to **set overall targets**, such as maintaining a certain percentage of biddable spend being from diverse suppliers.



As teams lack accountability within procurement staff, many **leaders struggle to expand** their diversity programs.

2

Identifying diverse suppliers is hard, but many innovate

Q: “What is the main method of identifying diverse suppliers?”
Top Three Sources Based on Percentage of Respondents

i

Special interest groups/diversity networking groups

ii

In-house/third-party database

iii

Conferences

What Are We Hearing From Clients?



Leading teams **coordinate with local chambers of commerce and advertise through local banks** to source diverse suppliers.



Most organizations also conduct **special events, such as recruitment drives or mentorship programs**, to attract quality suppliers.

Supplier diversity is more than just a procurement priority, with **most citing significant C-suite pressure to expand these programs.**

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*n = 47 procurement leaders
Source: 2020 Gartner Procurement Research Poll
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