



# Driving Organization Impact Beyond Spend: A Guide to Fostering Diversity Through Procurement

Companies of all sizes can benefit from increasing diversity throughout their companies, including among their employee base, executive suite, board of directors, etc. Doing so can help find new talent, bring in more perspectives to spark innovative ideas, attract diverse customer segments and more.

Yet one often overlooked area is [supply chain diversity](#), such as working with minority-owned, women-owned and veteran-owned businesses.

Doing so can make a significant impact on a company's overall efforts to foster diversity, as companies that work with diverse suppliers can find benefits such as being able to procure products and services they might not have access to elsewhere, build stronger networks of innovative vendors and improve customer and employee experience.

[As a Michigan State University article notes](#), diverse suppliers tend to be relatively small businesses that can leverage their position to offer innovative solutions to stand out from the competition, and they can be nimble enough to adapt to changing market conditions.

For example, [an article by Sourcing Industry Group](#) explains that the California Water Service Group utility organization was able to innovate by working with a minority supplier to create a mobile workforce application, rather than using paper-based processes.

To start fostering diversity through procurement within your organization so you can start to gain these types of benefits, focus on accomplishing the following items:





# 1.

## Set A Diversity Spend Goal

The first step toward fostering diversity through procurement should be setting a diversity spend goal so you have a mark to measure your efforts against. This goal can differ from company to company based on your circumstances, such as your current level of diversity spend and your resources to find diverse suppliers.

The [federal government](#), for example, sets goals to use different types of small business suppliers, such as allocating at least 5% of all federal contracting dollars annually to women-owned small businesses.



# 2.

## Increase Pool Of Diverse Suppliers

To reach diversity spend goals, many businesses need to increase their pools of **diverse suppliers** so they can reasonably find the products and services they need from these vendors. One way to do so is to leverage an e-procurement platform that already has relationships with diverse suppliers and incorporate their offerings into a digital procurement marketplace.



# 3.

## Implement A Way To Search Specifically For Diverse Suppliers

Related to increasing the pool of diverse suppliers is finding a way to make it easier for employees to purchase from these vendors. Here too, using an e-procurement platform that allows you to specifically search for diverse suppliers can make it easier to reach diversity spend goals, rather than leaving employees to sort through physical catalogs or research vendors on their own.



# 4.

## Build Stronger Relationships With Diverse Suppliers

Another aspect of reaching diversity spend goals and fostering diversity overall is to have procurement teams spend more time **building relationships** with diverse suppliers. In doing so, **these suppliers** may be able to expand their offerings to your company, while also potentially introducing you to their own networks of diverse vendors that can help fill some of your supply chain gaps.



# 5.

## Leverage Supplier Diversity Organizations

In addition to using e-procurement tools and building relationships directly with diverse suppliers, companies can also foster diversity by working with supplier diversity organizations, such as the [National Minority Supplier Diversity Council](#) or the [Women's Business Enterprise National Council](#). In doing so, they can find new suppliers, review resources on fostering diversity, find relevant events to attend, etc.



# 6.

## Improve Internal Awareness Of Procurement Diversity

To help gain the full benefits of increasing supplier diversity, companies should aim to improve internal awareness of these efforts. For example, when employees make purchases, they should be able to know whether they're purchasing from a diverse supplier or not, which may involve training from procurement teams on how they can access a pool of diverse vendors.

Companies can also publicize supplier diversity spend goals internally, similar to how they might promote sales goals. Doing so can help facilitate an environment where employees feel like they're part of a mission beyond just profit, which can improve their experience.





# 7.

## Improve External Marketing Of Procurement Diversity

Lastly, companies can **improve customer experience** and draw in new customer segments by promoting their supplier diversity efforts. For example, companies can share stories on social media highlighting their supplier diversity programs and create case studies or articles on their work with diverse suppliers.

Companies that can accomplish these areas of fostering diversity through procurement can become more innovative and improve the overall value they deliver to stakeholders. As a **diverse supplier itself**, GoProcure can serve as your purchasing agent and connect you to a diverse network of suppliers, thereby helping you to easily increase your diversity spend.



Have questions about this guide or want to learn more about how your procurement team can unlock significant savings? Request a [free consultation](#) with our product experts today.

