



SupplierGateway®

# Enable a Data-Driven Supplier Diversity Program in 4 Steps

Download the Guide



At a fraction of the cost of the nearest competitor, SupplierGateway delivered results that gave our team a command of our supplier diversity program. We ultimately increased our diversity spend by 52%, year over year.

This powerful platform is easy to use, reliable, and affordable. I highly recommend it.

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# Introduction

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You know that a diverse supplier base is crucial for the growth of your business. You also know that launching a supplier diversity program is challenging when you don't have a solid data foundation.

Your company probably doesn't have accurate supplier information, let alone the diversity information necessary to correctly track what you spend with diverse companies. Setting goals for increasing diversity spending becomes near impossible when you have no benchmark to work from.

Finding and onboarding diverse suppliers is a massive undertaking if you don't have a comprehensive database to source from. Accurately tracking your program's progress isn't possible if you aren't capturing key supplier diversity metrics from the start.

Supplier data management is the key to building a successful supplier diversity program. When accurate data collection is a priority, your organization can source new vendors, track goals, identify opportunities for improvement, and ultimately achieve a diverse supply chain that fuels your company's success. With a data-first approach, you can transform your supplier diversity program from a good intention into a strategic advantage for your company.

# Step 1: Establish the Vision and Goals for Your Supplier Diversity Program

Building a successful supplier diversity program requires solid foundational supplier data and a clear vision for your program's growth. This vision needs to include measurable goals and KPIs.

Here are some considerations to keep in mind when establishing your goals and KPIs for your supplier diversity program:

- **Define what success looks like for your program.** Do you want to increase spend with diverse suppliers by 5% year over year? Improve supplier retention rates? Set quantifiable and concrete targets.
- **Get buy-in from leadership and key stakeholders.** Explain the business case for supplier diversity and how it aligns with company values. Ask for input on goals and ways they can support the program.
- **Determine how you'll track and report on progress.** Look at metrics like the number of diverse suppliers included in RFPs and bids, the percentage of spend with diverse suppliers, the number of diverse suppliers you work with, and supplier retention rates. Set up dashboards, reports, and reviews to share updates with stakeholders and make adjustments as needed.
- **Map out an onboarding process.** How will you find and attract new, diverse suppliers? Work with procurement to streamline the onboarding process. Automate what you can to make the experience easy for suppliers.
- **Clean up your data.** Enriching your current supplier data can help you find diverse suppliers that you already work with. Data enrichment also helps verify other supplier information like classifications, certifications, and contact info. The more accurate your data, the more effectively you can match diverse suppliers to opportunities.

Getting stakeholder support becomes easier when progress is measurable, and goals are clearly defined. You'll create the foundation for a best-in-class supplier diversity program by prioritizing an efficient onboarding process and high-quality supplier data. That means growth and success for your diverse suppliers and your company.

## Step 2: Implement a Supplier Onboarding Program

You need a streamlined supplier onboarding process to build a solid data foundation for your supplier diversity program. Here are the key steps to implement:

- **Create a supplier application that captures critical details about the supplier and their business.** Contact information, certifications, products/services, and capabilities should be collected during onboarding. The more data you collect upfront, the better. To make this process as easy as possible for both you and your potential supplier, your company should utilize a self-service supplier registration and onboarding portal.
- **Require suppliers to provide supporting documentation to verify certifications and classifications.** This ensures you have accurate records of a supplier's diversity status, small business designations, and more.
- **Conduct a risk assessment for each new supplier.** Review financials, insurance coverage, quality certifications, safety records, and anything else critical to your supply chain. Identify any red flags early on.
- **Meet with suppliers either in person or via video conference.** This is your chance to clarify any details about their application, discuss the supplier's capabilities and fit, and determine if they meet your sourcing needs.
- **Once approved, officially onboard the new supplier by entering their data into your supplier management system.** This centralizes all the information gathered during the application and assessment process, enabling easy reporting and monitoring of your diverse supplier base.

By implementing a comprehensive supplier onboarding process, you establish a single source of truth for your supplier diversity program. Accurate and up-to-date data on your diverse suppliers means you can match opportunities, track spend, report metrics, and ultimately achieve your program goals. You'll be on your way to data-driven success with the right technology and procedures.

## Step 3: Collect and Manage Supplier Diversity Data

Successful supplier diversity programs are built on accurate, up-to-date supplier data. Collecting and managing this data should be an ongoing process. Allowing suppliers to update and maintain a supplier profile within your system is the easiest way to ensure your supplier data is always accurate.

### **DATA ACCURACY STARTS WITH SUPPLIER ONBOARDING**

When onboarding new diverse suppliers, gather essential details about their business, certifications, and ownership via your supplier onboarding portal. Ask suppliers to self-report information like

- Business name, address, and contact info
- Ownership details, including gender, ethnicity, veteran status, disability status, etc.
- Certifying agency and certification expiration date
- Products, services, and capabilities
- Annual revenue and number of employees

This data should be stored in a supplier profile, which your suppliers can access and update via your portal whenever needed.

## CONDUCT REGULAR DATA REVIEWS AND UPDATES

Invite your suppliers to update their profiles regularly. Supplier information changes regularly, so double check:

- **Ownership and control of the business haven't changed hands.** If a large corporation acquires a small, woman-owned business, its status will change in your system, affecting future diversity spend.
- **Certifications are still valid and up to date.** Most third-party diversity certifications require yearly renewals. If your business only accepts third-party diversity certifications, you must ensure that all certifications are accurate and up-to-date to count towards your diversity spend.
- **Revenue, employee numbers, products, and services offered remain the same or have expanded.**

## REPORT AND ANALYZE SUPPLIER DIVERSITY PROGRAM DATA

The data you collect is only valuable if you put it to use. Regularly report metrics like

- **Number of diverse suppliers**
- **Diverse supplier spend and percentage of total spend**
- **Growth in diverse supplier utilization over time**

Analyze the data to identify opportunities to improve your program, such as sourcing products or services from underrepresented groups. Share data and insights with stakeholders to demonstrate the impact and value of your supplier diversity initiatives.

Managing high-quality supplier diversity data is essential. By collecting detailed information, conducting ongoing data updates, and reporting metrics and insights, you build a foundation for a strong supplier diversity program.

**Accurate data leads to better decision-making, goal-setting, and program growth.**



# Step 4: Use Data to Drive Continuous Improvement

Once you have a solid foundation of supplier data in place, it's time to put that data to work. Using data analytics, you can gain valuable insights into your supplier diversity program and make continuous improvements.

## **REVIEW SPEND REPORTS**

Dig into your spend reports to see how much you're genuinely spending with diverse suppliers. Look for opportunities to increase spend in certain categories or with underutilized groups. Set specific percentage targets and put plans in place to achieve them.

## **IDENTIFY TOP PERFORMERS**

Use your supplier scorecards and ratings to determine your top-performing diverse suppliers. These suppliers may be good candidates for expanded business opportunities or mentorship programs with smaller, diverse suppliers. Reward them for their excellent work to keep them engaged in your program.

## **ADDRESS POOR PERFORMANCE**

Your data can also reveal suppliers that are underperforming or not meeting your standards. Work with these suppliers to determine the issues and find solutions to improve. Provide resources and guidance to help build their capacity.

## **REFINE YOUR PROGRAM**

Look for patterns in your data that indicate certain aspects of your program could use refinement or improvement. You may find opportunities to enhance your supplier certification process, strengthen matchmaking events, expand education and training, or make your portal more user-friendly. Seek feedback from suppliers and internal stakeholders as well.

Continuously monitoring and analyzing your supplier diversity data will help ensure your program remains robust, impactful, and achievable. While a data-driven approach requires more effort upfront, it is the key to long-term success. With the correct data and tools, you can build a best-in-class program that drives real results.

# Tips for Creating an Impactful Supplier Diversity Program

## **START WITH THE DATA**

To build an impactful supplier diversity program, you must begin with solid data. Collect information from potential diverse suppliers through a supplier registration and pre-qualification process. Have them provide details on their certifications, capabilities, and capacity.

## **STREAMLINE THE ONBOARDING PROCESS**

Make it easy for diverse suppliers to do business with you by simplifying your onboarding process. An automated system where suppliers can enter information one time cuts down on duplicate data entry and frustration. Suppliers will appreciate how user-friendly and efficient your program is.



## **PROMOTE YOUR PROGRAM**

Spread the word about your supplier diversity program to attract qualified, certified, diverse suppliers. Post on your company website, share on social media, and promote at diverse business events. Let suppliers know you value building mutually beneficial, long-term relationships.

## **PROVIDE RESOURCES AND SUPPORT**

Offer resources and support to help diverse suppliers strengthen their businesses. This could include networking events, matchmaking opportunities, mentoring programs, and educational resources on accessing capital, developing strategic plans, and improving operations. Your support and guidance can help diverse suppliers achieve stability and growth.

## **MEASURE AND REPORT ON ECONOMIC IMPACT**

Track how much you spend with diverse suppliers, and measure how your spending impacts the surrounding community. Report these metrics to demonstrate the success of your program to stakeholders and the public. Make data-driven decisions on how to improve and expand your program over time based on the results.

Creating a genuinely impactful supplier diversity program requires work. Still, by starting with data, streamlining processes, promoting your program, offering resources, and measuring results, you can build a program that benefits your company, suppliers, and the communities you serve. Supplier diversity enriches supply chains, spurs innovation, and strengthens economic growth.

# Last Thoughts

By focusing on the fundamentals of supplier data management, you can build a solid foundation for your supplier diversity program. Streamlining the supplier onboarding process ensures you have accurate and complete data on your diverse suppliers and the ability to report engagement and spend accurately.

Now, you can start reaping the benefits of a data-driven program. Armed with insights into your program's performance, you can demonstrate the impact and value of the supplier diversity program to stakeholders, your customers, and your community.