

BUSINESS DIALOGUE

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Maybe Supplier Diversity Just Isn't Worth It At least not worth enough to really commit to it.

by Melvin J. Gravely, Ph.D.



I am still hearing comments I used to hear 20 years ago. "We can't find them", "What is the ROI", "We are not willing to sacrifice quality."

On the surface it sounds like organizations are saying they don't know how-to. In most cases (of course not all) what organizations are really saying is they don't know how-to with the level of investment they are willing to make. It's like saying you don't know how-to eat healthy or you can't figure out how to lose weight. Are you kidding; with all of the health information available today? My problem with eating more healthy and losing a few lbs. is not that I don't know how, I just keep looking for a way that requires less commitment. The reality is the route of less effort doesn't exist. To lose weight and be healthier I have to understand the basic "best practices", be intentional with my efforts to change my behavior and stay at it until I get the results I want.

So if you plan to be intentional and work at it until you have success the only thing you need are the basic "best practices" of supplier diversity. Here they are:

1. Visible leadership commitment.

People at the top have to care and everyone else has to know they care. I don't care if it is the Mayor, the Director of the agency or the CEO. People have to hear leadership say it in speeches, write about it in newsletters and personally show up to support it. If the top doesn't make it matter supplier diversity will never be more than a response to external pressure or an episodic fad.

2. Active management accountability. Human beings are pretty simple creatures. Things work best when you make your expectations clear and reward the behavior you want to see. Put supplier diversity objectives into management tools like performance plans and bonus calculations and you will get better results. Management accountability is the tangible evidence of visible leadership commitment.

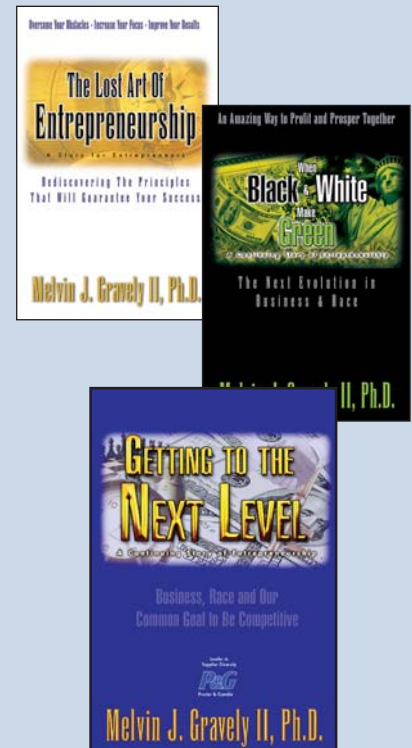
3. Setting SMART goals. Goals (by the way - not the same as quotas) create a "demand" for diverse suppliers and demand is a basic component of any economic transaction. Plus, everything worth achieving has a goal attached. Doesn't it?

4. Consistent and "effective" outreach. Outreach creates the "supply" of diverse businesses to flow into opportunities. Creating "supply" is

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the second of the basic supply/demand economic equation. Finding diverse suppliers has to be an intentional effort. The premise is simple. Individuals looking for diverse suppliers are more likely to find them. Finding the diverse suppliers you need is easier today than even ten years ago but it remains a challenge demanding consistent effort. Some organizations use the excuse "We can't find them" as a reason NOT to commit. I thought that was the reason for supplier diversity in the first place. If it was easy to find diverse suppliers you probably wouldn't be reading this article.

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5. On-going tracking and reporting. How will we know how we are doing if we don't track our performance and report to our doctor vital information like our heart rate, cholesterol level and weight? Tracking and reporting are the foundational tools

needed to make goals and accountability work. Without tracking you are playing a game and not keeping score. You only do that if you don't plan to win (or don't want others to know you're losing).

6. It has to be someone's job. Someone has to be on point to lead, track, report, and coordinate supplier diversity. If it is no one's job or if it is such a small sliver of a person's role expect a sliver of results and a lot of frustration.

Organizations sometimes think I don't get it. I do. I think I get it better than most. Budgets are tight. Organizations have a lot of competing priorities. I understand. I think I'm pretty objective about this entire topic. This article is not designed to get anyone to commit to supplier diversity. It is trying to get organizations to be honest with them-

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selves about how committed they are right now. There is nothing worse than an organization that is perpetually and purposely insincere about their diversity intentions. If you say you don't know how-to what you likely mean is you don't know how-to with your current level of commitment. Now that makes sense to me. We know how-to do tough things like _____ (you fill in the blank be more healthy, reduce our personal debt or spend more diversely). Is it important enough to show the commitment it takes is the real question? If supplier diversity doesn't matter much to your organization why would you commit? If it does matter at least you know what commitment looks like. That's what I think. What do you think? E-mail your comments to Dialogue@entrethinking.com.

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