



The Growth of Supplier Diversity

MAY 2021



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BACKGROUND

The [CMO Growth Council](#) was established by the ANA and Cannes Lions to focus on driving enterprise growth. The CMO Growth Council has identified four global growth priorities and a 12-point industry growth agenda. Diversity, Equality, and Inclusion is a key area of focus for the ANA Growth Agenda, under the Society and Sustainability growth priority.

ANA Growth Agenda



An important [mandate for this group](#) is to “Eliminate systemic investment inequalities in the media and creative supply chain.”

Meanwhile, in June 2020, the ANA and its diversity initiative, the Alliance for Inclusive and Multicultural Marketing (AIMM), published an open letter titled [“ANA/AIMM Commitment to Equality, Inclusion, and Systemic Change.”](#) The letter called for the development of an equitable creative supply chain through strategic investments in agencies, broadcasters, suppliers, and producers owned or run by Black, Hispanic, Asian, Indigenous, and LGBTQ+ people, and people with disabilities.

This report, “The Growth of Supplier Diversity,” helps further advance this mandate.

INTRODUCTION AND METHODOLOGY

A supplier diversity program is a proactive business program which encourages the use of women-owned, ethnic/minority-owned, veteran-owned, LGBTQ-owned, disability-owned, and small businesses as suppliers.

In May 2020, the ANA released “[The Power of Supplier Diversity](#).” That report provided a good initial foundation in benchmarking ANA member company activity in supplier diversity overall, with some insights specifically into supplier diversity in marketing/advertising. Our 2021 report now provides a deeper dive into supplier diversity in marketing/advertising, covering areas including benefits, challenges, spend, goals, and measurement.

In March 2021, a survey was sent to members of the ANA’s Marketing and Media committees. In total, 112 client-side marketers participated in this survey.

About the respondents:

- 87 percent have been working in marketing/advertising for at least 10 years and 66 percent for at least 15 years.
- 50 percent work at organizations that had a 2020 media budget of \$100 million or more.
- For 41 percent of respondents, their businesses are primarily business-to-consumer, 7 percent are primarily business-to-business, and 52 percent are both.

The complete survey questionnaire is [here](#).

To supplement the quantitative results, 10 in-depth qualitative interviews were conducted which provided additional insights and perspective.

EXECUTIVE SUMMARY

Incidence

Sixty-nine percent of respondents report having a supplier diversity strategy for marketing/advertising.

Age

Supplier diversity for marketing/advertising is still relatively young for many companies. For almost half, such programs are less than five years old. Twenty-one percent have started supplier diversity programs for marketing/advertising within the past two years.

Importance

The importance of supplier diversity for marketing/advertising has increased over the past year for 89 percent of respondents; that includes 58 percent for whom the importance increased significantly.

Why Importance Increased

Responses to the question “Why has the importance of supplier diversity for marketing/advertising at your company increased over the past year?” centered on (a) the racial events of the past year and (b) supplier diversity being an important part of a company’s overall D&I strategy and the right thing to do.

Business Ownership

Companies target a wide range of business ownership with their supplier diversity programs for marketing/advertising, with at least 75 percent of the respondents targeting businesses owned by Black, Hispanic, LGBTQ, and Asian people and veterans and women.

Companies spend the most on Women-owned businesses, followed by Hispanic-owned, small businesses, and Black-owned.

Respondents expect to spend more in the next year with many different types of diverse-owned businesses. At the top of the list, all noted by more than 50 percent of respondents, are Black-, Women-, and Hispanic-owned businesses.

Categories

Companies use a wide range of categories with their supplier diversity programs for marketing/advertising, with agencies, production, consulting, printing, and research all used by at least 50 percent of the respondents.

Agencies are the category that companies currently spend the most on with their supplier diversity programs for marketing/advertising.

Respondents expect to spend more in the next year with diverse-owned businesses in many different categories. At the top of the list, all noted by more than 50 percent of respondents, are production and agencies, followed by media companies. For many companies, media is their most significant marketing/advertising expense. Yet finding diverse media suppliers has been a particular challenge.

EXECUTIVE SUMMARY

Primary Drivers

Respondents cited the primary drivers for their company's supplier diversity strategy:

- Align with corporate culture and workplace inclusiveness
- To be a force against racial inequality and inequity
- Corporate social responsibility

Benefits

The top benefits:

- Proactively support and address inequity barriers
- Community empowerment and positive economic impact (for the community)
- More authentic connections as suppliers reflect the consumer base

Challenges

The top challenge for supplier diversity in marketing/advertising is finding diverse suppliers, followed by the challenge of visibility to opportunities to recommend diverse suppliers.

Spend

Spend with Tier 1 diverse suppliers for marketing/advertising was much more likely to increase than decrease from 2019 to 2020; for many respondents, spending stayed the same. Forty-five percent increased and only 10 percent decreased spend. Tier 1 suppliers work directly with corporations to provide goods and services.

Procurement

Procurement/sourcing is leading the company's supplier diversity strategy for marketing/advertising for 50 percent of respondents and supporting for 48 percent. The role of supplier diversity resides in procurement/sourcing for 63 percent of respondents.

Metrics

The metrics used by the highest percentage of respondents to measure the performance and progress of supplier diversity are:

- Total amount of spend placed with diverse suppliers
- Percentage of total spend placed with diverse suppliers

Supplier Development Plans

Two-thirds (65 percent) note that their supplier diversity strategy for marketing/advertising includes supplier development plans. Supplier development plans are growth and/or improvement plans specific to a diverse supplier supporting a business.

EXECUTIVE SUMMARY

Maturity

Almost half of respondents (49 percent) classify the maturity of their supplier diversity strategy as established, defined as an “active program, traction within the business and with leadership, winning on goals, minimal business integration.” Nineteen percent are “advanced”; 32 percent are “beginning.”

Part of the “Trifecta”

Supplier diversity is part of the “trifecta” which also includes diversity and inclusion as well as multicultural marketing. Respondents expressed the highest level of commitment for diversity and inclusion (93 percent), followed by supplier diversity (73 percent) and multicultural marketing (69 percent).

Considering

For those who do not currently have a supplier diversity strategy in place for marketing/advertising, two-thirds are considering doing so.

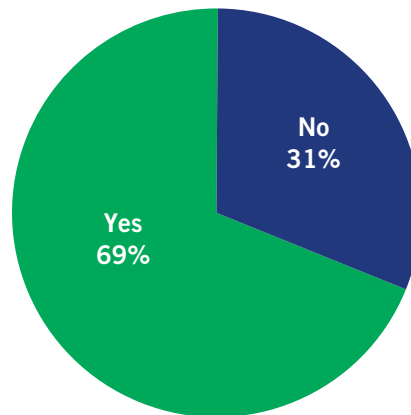
DETAILED FINDINGS

Incidence of Supplier Diversity for Marketing/Advertising

Sixty-nine percent of respondents report having a supplier diversity strategy for marketing/advertising.

Existence of Supplier Diversity Strategy for Marketing/Advertising

Base: 112



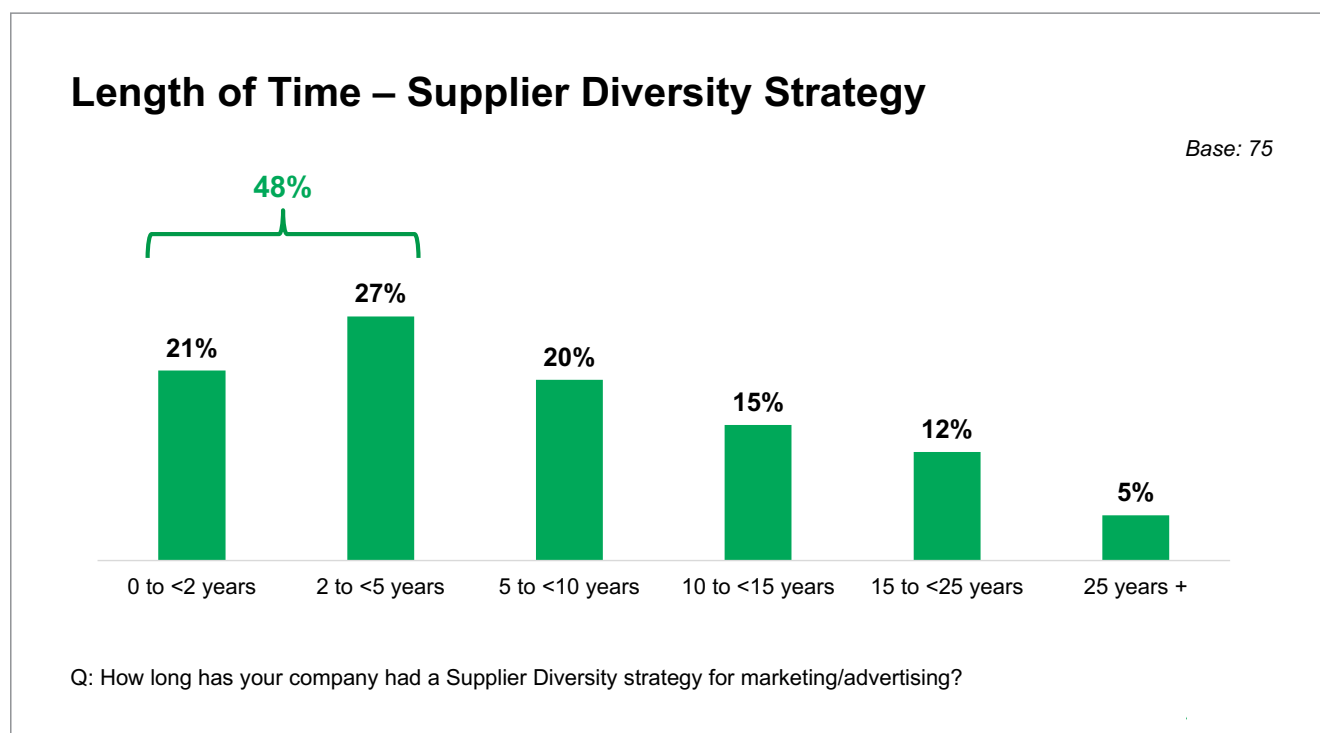
Q: Does your company have a Supplier Diversity strategy for marketing/advertising?

Respondents were asked to identify their company's industry. Based on that, we can directionally say that supplier diversity for marketing/advertising is more likely to be prioritized in CPG, health care, pharmaceutical, technology, and telecommunications.

DETAILED FINDINGS

Supplier Diversity for Marketing/Advertising Still “Young” for Many

Supplier diversity for marketing/advertising is still relatively young for many companies. For almost half the respondents, such programs are less than five years old. Twenty-one percent have started supplier diversity programs for marketing/advertising within the past two years.

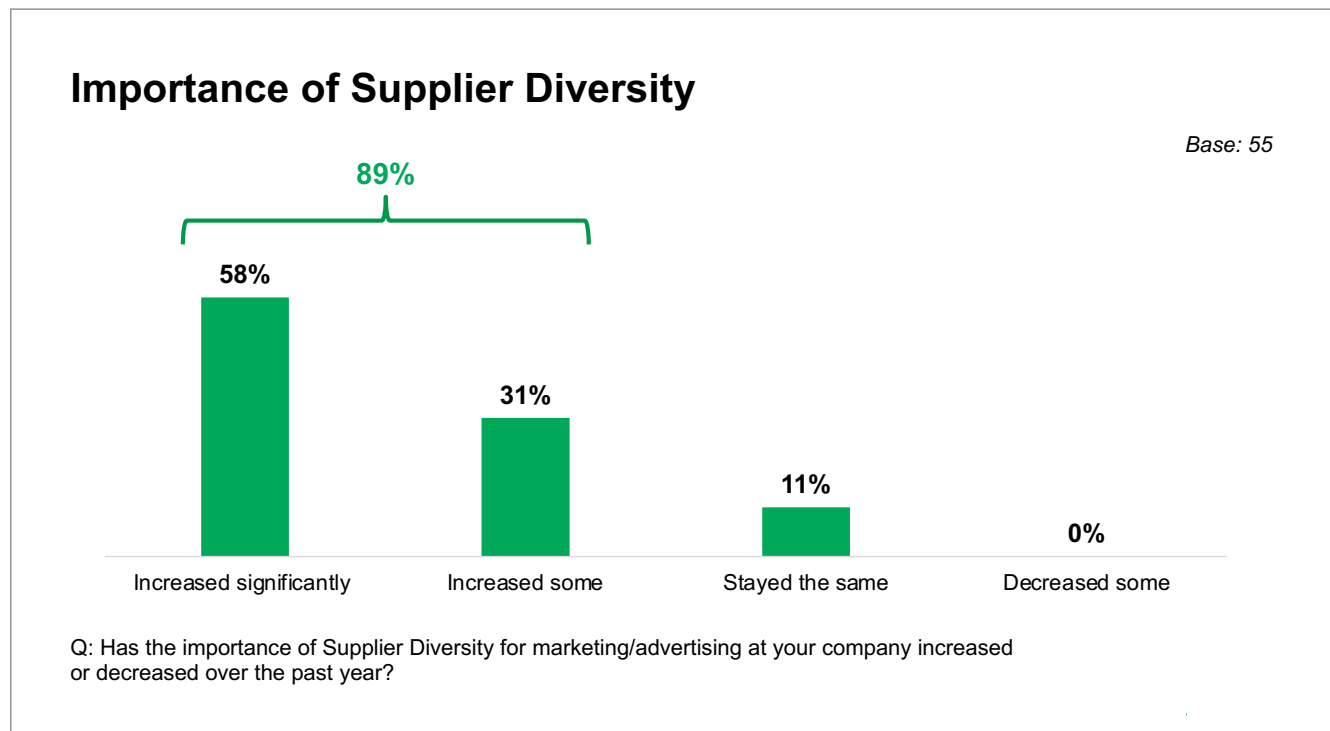


For 83 percent of respondents, their supplier diversity strategy for marketing/advertising was established within the last 15 years. At the same time, marketing procurement/sourcing is a role that has grown dramatically over the past 15 years. Procurement almost always has a role in supplier diversity strategies. The increased penetration of marketing procurement has very likely led to an increase in supplier diversity strategies for marketing/advertising.

DETAILED FINDINGS

Importance of Supplier Diversity Increasing

The importance of supplier diversity for marketing/advertising has increased over the past year for 89 percent of respondents; that includes 58 percent for whom the importance increased significantly.



DETAILED FINDINGS

Why Importance of Supplier Diversity for Marketing/Advertising Has Increased

Respondents who answered that importance increased were then asked, “Why has the importance of supplier diversity for marketing/advertising at your company increased over the past year?” Those replies can be grouped into two broad categories, with representative verbatim comments noted below.

In response to the events of the past year:

- “Events of 2020 have been a catalyst for increased focus and push for initiatives/strategy to drive supplier diversity in support of our diversity and inclusion journey.”
- “The current climate has further highlighted the needs for equity and diving deeper into insights to better understand/connect with minorities.”
- “Social unrest due to George Floyd sparked a sea change in awareness and approach.”
- “We have always had a program, but due to issues happening in the world our focus has intensified.”
- “Diversity has always been a cultural pillar for our company, but we have placed additional emphasis based on news events from the last 12 months.”

Other responses focused on supplier diversity being an important part of a company’s overall D&I strategy and being the right thing to do:

- “Heightened focus on diversity and inclusion with specific organizational goal-setting.”
- “It’s the right thing to do for our business and for society.”
- “We’re committed to using our marketing dollars for good, to help drive equity among all under-utilized populations. The importance has increased because we’ve created specific touchpoints and benchmarks surrounding this.”
- “Focus from top down to align with our corporate values with increased emphasis on diversity and inclusion initiatives.”
- “To better align our company goals with the goals of our customers.”

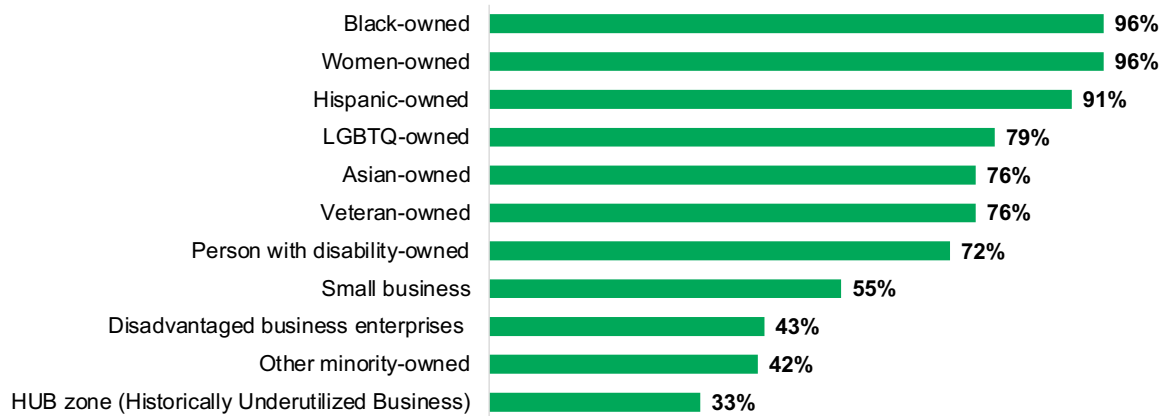
DETAILED FINDINGS

Companies Target a Wide Range of Business Ownership

Companies target a wide range of business ownership with their supplier diversity programs for marketing/advertising, with at least 75 percent of the respondents targeting businesses owned by Black, Hispanic, LGBTQ, and Asian people and veterans and women.

Types of Businesses Targeted

Base: 67



Q: What types of businesses are targeted with your Supplier Diversity program for marketing/advertising?
Select all that apply.

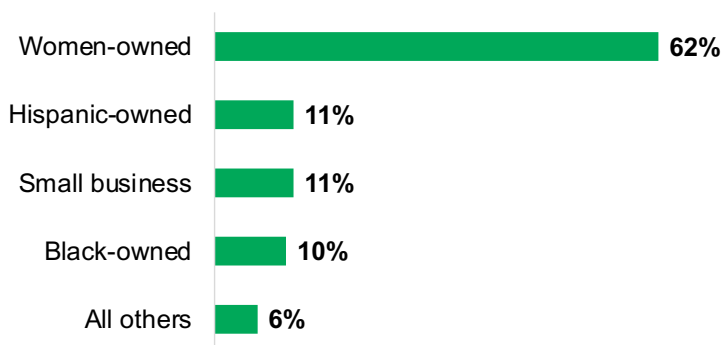
DETAILED FINDINGS

Women-Owned Businesses Enjoy Most Support

Companies spend the most on Women-owned businesses, followed by Hispanic-owned, small businesses, and Black-owned.

Types of Businesses with Most Spend

Base: 58



Q: What types of businesses do you currently spend the most with for your Supplier Diversity program for marketing/advertising? Select only one.

According to the [U.S. Census Bureau](#), approximately 19.9 percent of all businesses are owned by women and 18.3 percent are minority-owned. More specifically, 10.1 percent of all businesses are Asian-owned, 5.9 percent are veteran-owned, 5.8 percent are Hispanic-owned, and 2.2 percent are Black-owned.

One of the qualitative interviewees commented, “Women are over 50 percent of the population and therefore there are many women-owned businesses, so this makes sense.” Another said that finding and investing in women-owned businesses is “easier to do.” Yet another spoke about their company’s “inclusive sourcing” strategy and that “we want a supply base that mirrors our customer.”

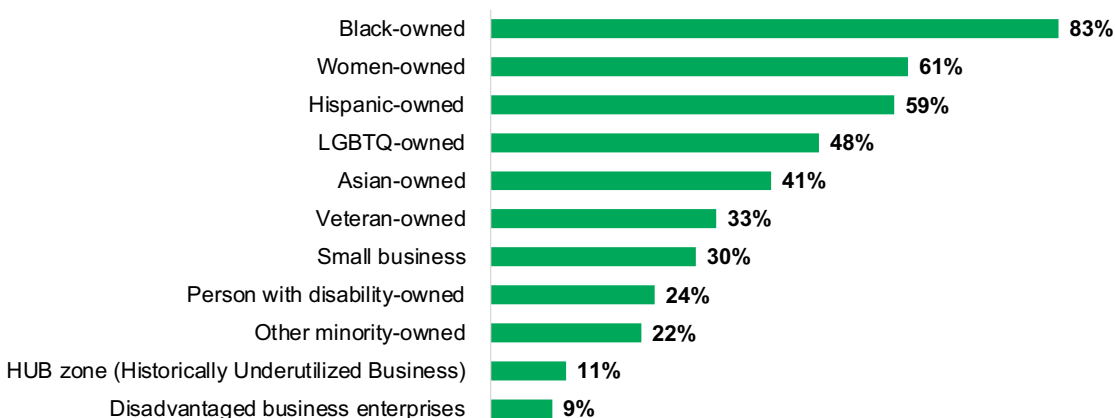
DETAILED FINDINGS

Spending on Black-, Women-, and Hispanic-Owned Businesses to Increase

Respondents expect to spend more in the next year with many different types of diverse-owned businesses. At the top of the list, all noted by more than 50 percent of respondents, are Black-, Women-, and Hispanic-owned businesses. Given the events of the past year, it makes sense that Black-owned businesses are expected to receive more spend support.

Types of Businesses Expect to Spend More With

Base: 54



Q: What types of businesses do you expect to spend more with, in the next year, for your Supplier Diversity program for marketing/advertising? Select all that apply.

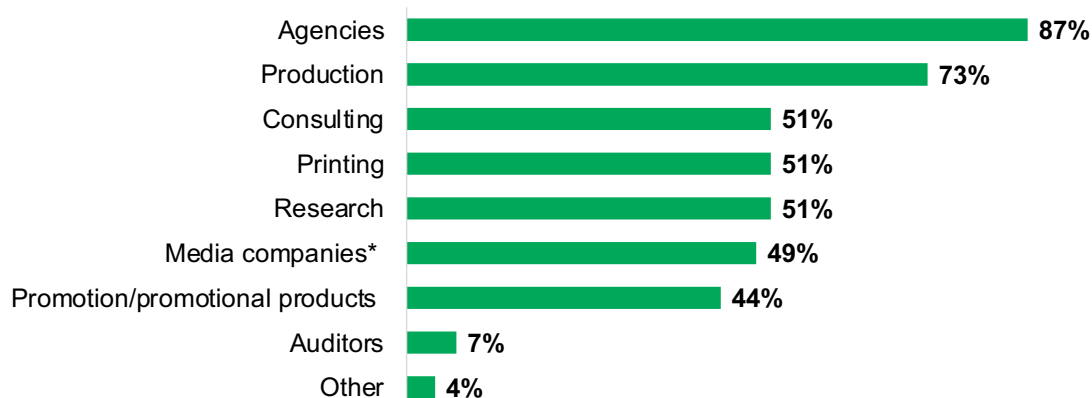
DETAILED FINDINGS

Companies Use a Wide Range of Categories

Companies use a wide range of categories with their supplier diversity programs for marketing/advertising, with agencies, production, consulting, printing, and research all used by at least 50 percent of the respondents.

Categories Used

Base: 55



Q: What specific categories of diverse suppliers for marketing/advertising do you currently use?
Select all that apply.

*Survey specified: By media companies we mean, as examples, radio stations, TV networks, digital media companies, etc. — NOT media advertising agencies

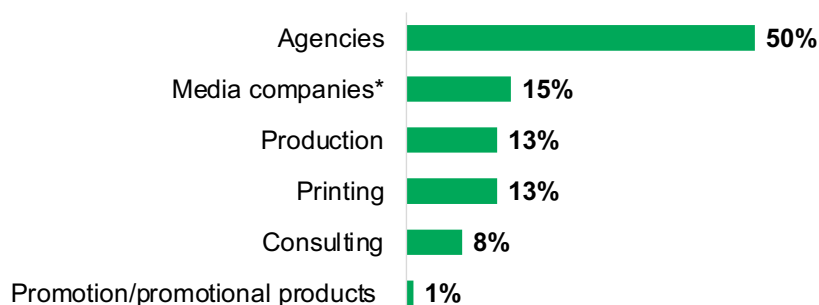
DETAILED FINDINGS

Agencies Enjoy Most Support

Agencies are the category that companies currently spend the most on with their supplier diversity programs for marketing/advertising.

Categories with Most Spend

Base: 54



Q: What specific categories of diverse suppliers for marketing/advertising do you currently spend the most with? Select only one.

*Survey specified: By media companies we mean, as examples, radio stations, TV networks, digital media companies, etc. — NOT media advertising agencies

We drilled down in our qualitative interviews to learn which types of agencies are specifically supported. Agency types mentioned include design, multicultural, promotion, public relations, research/insights, and sports marketing.

Furthermore, many qualitative respondents noted that they now have regular conversations with their agencies about the diversity of agency teams and leadership. One respondent talked about “looking at the whole package,” including agency plans for recruiting diverse talent, training programs, affiliations, and even production initiatives. Another respondent noted that the company wants the staff of its agency to mirror that of its customer base.

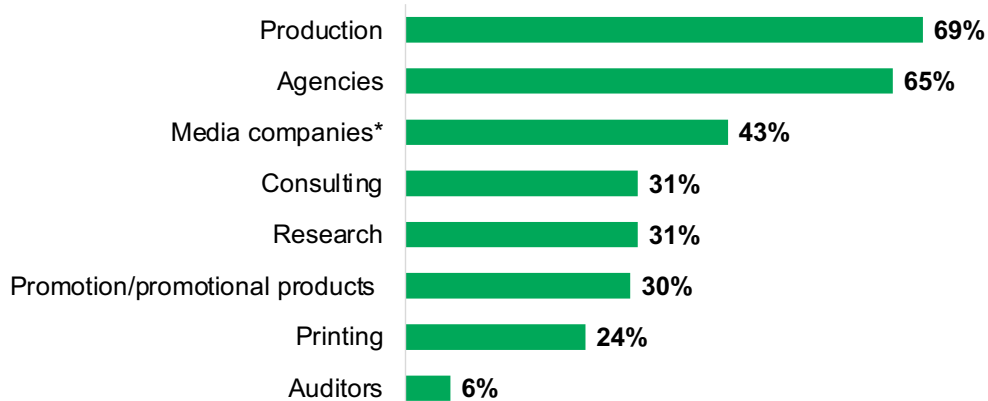
DETAILED FINDINGS

Spending on Diverse-Owned Businesses for Production and Agencies to Increase

Respondents expect to spend more in the next year with diverse-owned businesses in many different categories. At the top of the list, all noted by more than 50 percent of respondents, are production and agencies, followed by media companies.

Types of Categories Expect to Spend More With

Base: 54



Q: What specific categories of diverse suppliers for marketing/advertising do you expect to spend more with in the next year? Select all that apply.

**Survey specified: By media companies we mean, as examples, radio stations, TV networks, digital media companies, etc. — NOT media advertising agencies*

Given that respondents expect to spend more with production than any other category, we have curated a list of resources available to increase diversity in production in the following section.

DETAILED FINDINGS

Resources Available to Increase Diversity in Production

BFFoundation is a non-profit organization focused on promoting underrepresented voices of diverse storytellers. They champion female, non-binary, LGBTQIA+, Black, Indigenous, people of color's, and people with disabilities' voices in entertainment and media. They do this through research, education, and supporting the production and distribution of inclusive content.

#BIDBLACK is a non-profit platform on a mission to normalize the presence of Black filmmakers in creative roles in the advertising industry. They aim to be a complementary resource for all creative industries to source Black talent, placing an emphasis on creating more opportunities for Black creators to bid on commercial jobs by increasing awareness of and access to Black directors, cinematographers, editors, colorists, and more.

Brooklyn Workforce Innovations: The “Made in NY” Production Assistant Training Program is a collaboration between Brooklyn Workforce Innovations and the New York City Mayor’s Office of Media and Entertainment. Their mission is to give unemployed and low-income New Yorkers the chance to work on New York sets and build careers in the dynamic field of film and television production. There is also a Post Production Training Program for careers in post production.

The **CDDP** (Commercial Directors Diversity Program) was created during contract talks between the AICP (Association of Independent Commercial Producers) and the DGA (Directors Guild of America). The CDDP reflects the commitment of both organizations to create change and increase the representation of minority and female directors specializing in commercials and marketing communications.

Double the Line, an initiative from AICP (Association of Independent Commercial Producers), is asking clients and agencies to take the pledge to #doubletheline to increase diversity and inclusion with an emphasis on leadership positions. On every commercial production, roles for the project are listed on individual lines in the budget with their associated costs. On every job bid, the agency and/or client will consult with the production and post-production company, and based on potential candidates, costs, and opportunities, will agree to double the role of any single position on the bid. In doing so, they agree to cover the costs to hire a BIPOC candidate to work alongside the chosen role.

FREE THE WORK is a curated talent-discovery platform for underrepresented creators. Originally established as a resource for production to include one female director on every triple-bid advertising job (and originally named FREE THE BID), FREE THE WORK has expanded into film, TV, and media, and its database of talent now consists of underrepresented creators who are directors, editors, colorists, composers, and more.

DETAILED FINDINGS

Girlgaze is an online multi-sided platform company built on a mission to close the gender gap and to champion diversity, inclusion, and representation across the creative industry.

Lights Camera Access! is an emergent provider of a network of services to advance the presence and participation of persons with disabilities in the entertainment and media industries.

ManifestWorks connects those affected by foster care, homelessness, and incarceration with job opportunities and provides ongoing life and professional skills to support long-term success. Participants start with a 12-week program that physically follows the flow of production to help participants begin a career in film, television, and new media.

Streetlights' mission is to assist talented and motivated young adult minorities, many economically and socially disadvantaged, to achieve long-term economic stability and career success. To accomplish true diversity in the entertainment industry, they believe that a minority talent pool must be created to provide companies with ethnically diverse crew members from a range of job categories from gaffer to grip, from production assistant to producer. To that end, Streetlights breaks them into this creative and well-paying business through entry-level Production Assistant Training.

Vets2Set is a non-profit organization designed to help veterans jumpstart a career in the commercial production business.

Thanks to both **AICP** (Association of Independent Commercial Producers) and **APR** (Advertising Production Resources) for their input in identifying the above resources.

DETAILED FINDINGS

The Challenge of Diverse Spending with Media Suppliers

For many companies, media is their most significant marketing/advertising investment. Yet finding diverse media suppliers has been a particular challenge. In the survey, there was an open-ended question:

- “Briefly describe your experience in identifying and working with diverse media suppliers. (By media suppliers we mean, as examples, radio stations, TV networks, or digital media companies, etc. — NOT media advertising agencies.)”

Comments of particular interest from that question:

- “A lot of work has been done with our media team to be able to allocate spend appropriately and clearly differentiate on the media front between diverse-owned media outlets and multicultural media outlets that are not diverse-owned. While the pool of diverse-owned is small, we’ve been able to make strides, but still have significant challenges to meet scale.”
- “I would describe this as incredibly challenging. Because more than 60 percent of our spend is in digital and social, purchased primarily programmatically, we don’t have great options. Television and streaming video represent the next biggest investment, and those companies are all publicly held. This means that we’re engaging small (typically radio or print) diverse suppliers with limited scale.”
- “It has been challenging to find a range of diverse media suppliers. Many have small scale versus other options in the marketplace. This is why our organization’s diverse marketing spend lags behind diverse spend in other categories.”
- “We’ve had to expand our definition to include diverse content creators, influencers, suppliers with highly diverse audiences, etc.”

In our qualitative conversations there was additional perspective of interest:

- One interviewee said, “It’s not just about buying media on its own, but about partnerships, packages, and events.” An example given was a media buy supplemented with a sponsorship in a music festival.
- One company “first started targeting diverse audiences via media and then pivoted to diverse-owned suppliers.” Another did just the opposite and is “looking at how we target certified diverse media suppliers.”
- Yet another mentioned how “production spend has been increasing as a result of an increase in diverse/targeted media spend to have the proper messaging.”
- One company commented, “Our additional investments in diverse media require more support/resources from our end.”

DETAILED FINDINGS

Primary Drivers

Respondents cited the primary drivers for their company's supplier diversity strategy:

- Align with corporate culture and workplace inclusiveness
- To be a force against racial inequality and inequity
- Corporate social responsibility

Drivers for Supplier Diversity Strategy (Top 2 Box)

Base: 52



Q: Please rate the importance of the following drivers as they relate to your company's Supplier Diversity strategy. (Rate on a scale of 1–5, where 1 = Least Important and 5 = Most Important.)

A comment of particular interest from our qualitative discussions: “Employees are also a driver of diversity. Internally, employees can put pressure on the corporation to increase supplier diversity.”

DETAILED FINDINGS

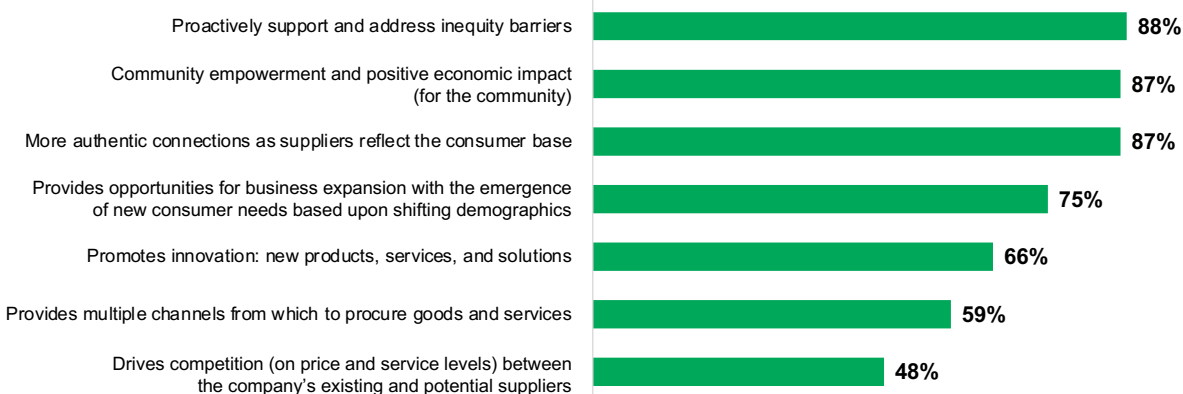
Top Benefits: Support Inequity Barriers, Community Empowerment, Authenticity

The top-rated benefits of a supplier diversity strategy for marketing/advertising:

- Proactively support and address inequity barriers
- Community empowerment and positive economic impact (for the community)
- More authentic connections as suppliers reflect the consumer base

Benefits (Top 2 Box)

Base: 68



Q: Please rate the potential benefits of a Supplier Diversity strategy for marketing/advertising.
(Rate on a scale of 1–5, where 1 = Least Important and 5 = Most Important.)

This question was asked of respondents who report having a supplier diversity strategy for marketing/advertising as well as those who do not. It is interesting to note that the ranking of the top benefits is the same for both groups.

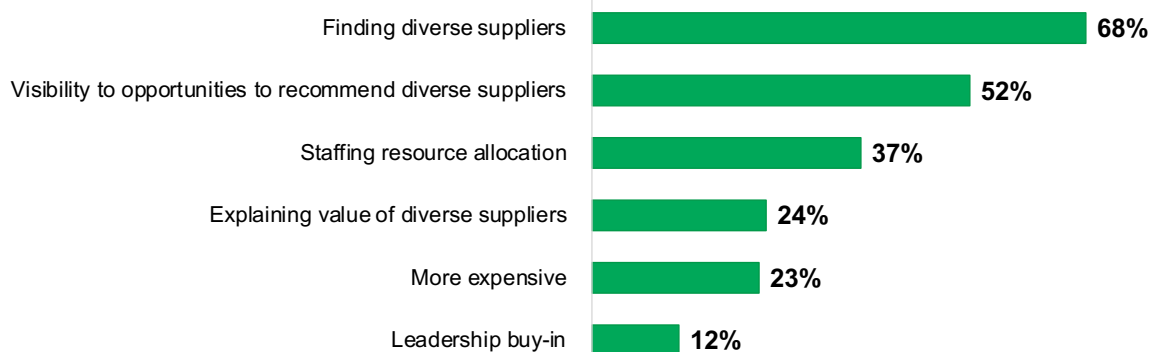
DETAILED FINDINGS

Top Challenge: Finding Diverse Suppliers

The top challenge for supplier diversity in marketing/advertising is finding diverse suppliers; that's followed by the challenge of visibility to opportunities to recommend diverse suppliers.

Challenges (Top 2 Box)

Base: 67



Q: Please rate the potential challenges for Supplier Diversity in marketing/advertising.
(Rate on a scale of 1–5, where 1 = Not a Challenge and 5 = Big Challenge.)

This question was also asked of respondents who report having a supplier diversity strategy for marketing/advertising as well as those who do not. The ranking of the top challenges is the same for both groups.

There was further perspective on challenges in our qualitative discussions.

- One interviewee said, “We want to spend more, but it’s difficult to find the right partners. Are they certified? Can they support the business requirements?”
- Another said, “Qualifying diverse suppliers is the hard part, so you are not setting them up for failure, or just to meet a quota. It costs money for a supplier to submit an RFP. Don’t invite a supplier to participate unless they have a legitimate shot.”
- One interview said that their “biggest challenge isn’t finding diverse suppliers, but convincing internal stakeholders. You need to get comfortable with being uncomfortable. Find a project or initiative to get a diverse supplier on board with.”

DETAILED FINDINGS

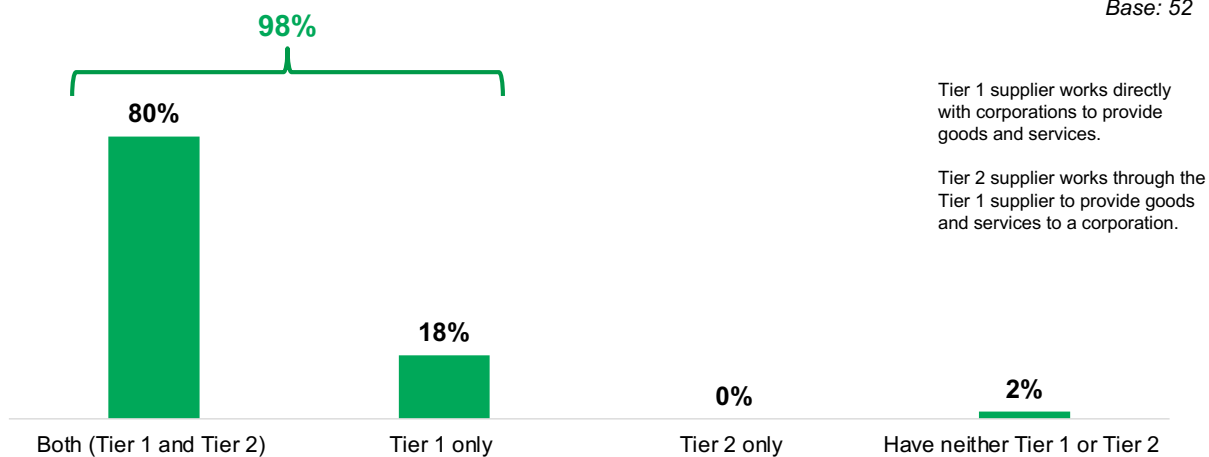
Most Have Both Tier 1 and Tier 2 Suppliers

Tier 1 suppliers work directly with corporations to provide goods and services. Tier 2 suppliers work through the Tier 1 supplier to provide goods and services to a corporation.

Almost all respondents have a Tier 1 diverse supplier strategy for marketing/advertising (98 percent). Most have a Tier 2 diverse supplier strategy for marketing/advertising (80 percent).

Tier 1 or Tier 2 Diverse Supplier Strategy

Base: 52

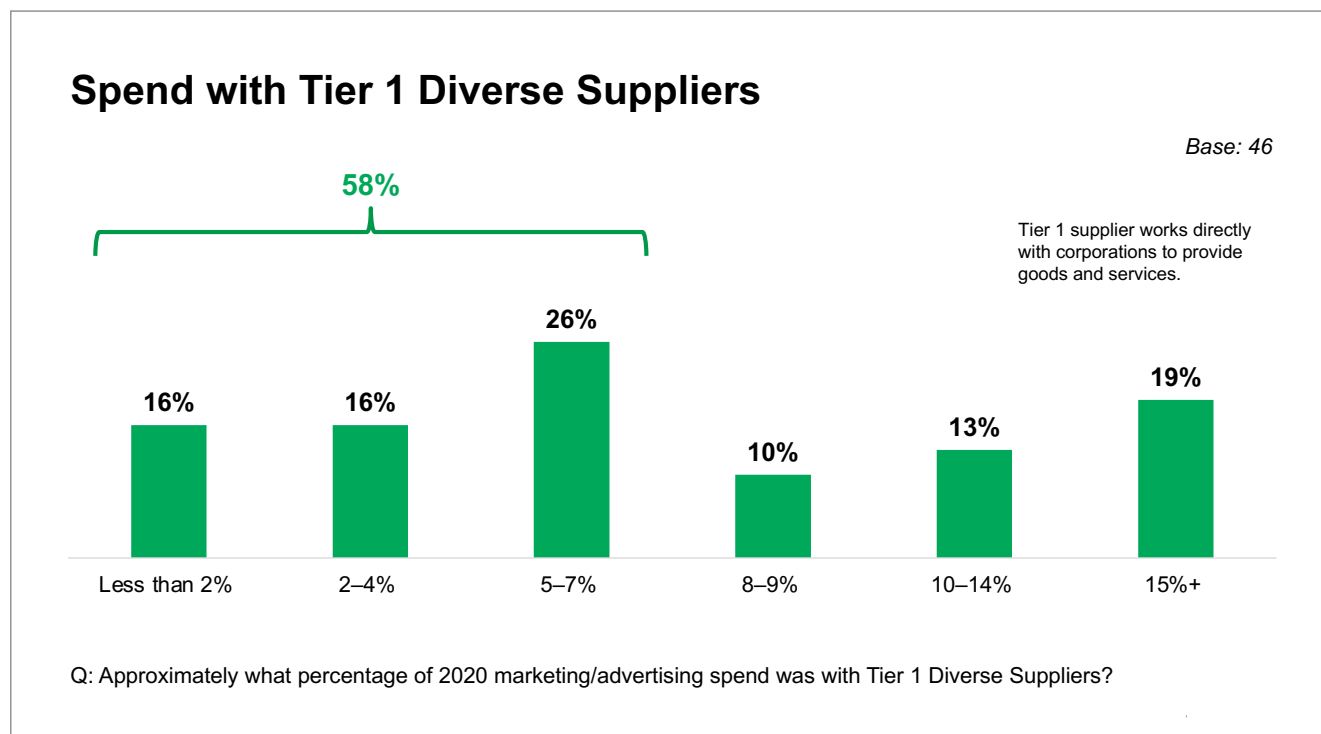


Q: Do you have a Tier 1 and/or Tier 2 Diverse Supplier strategy for marketing/advertising?

DETAILED FINDINGS

Tier 1 Diverse Spending 7 Percent or Less for Most

Spend with Tier 1 diverse suppliers was 7 percent or less of 2020 marketing/advertising spend for 58 percent of respondents.



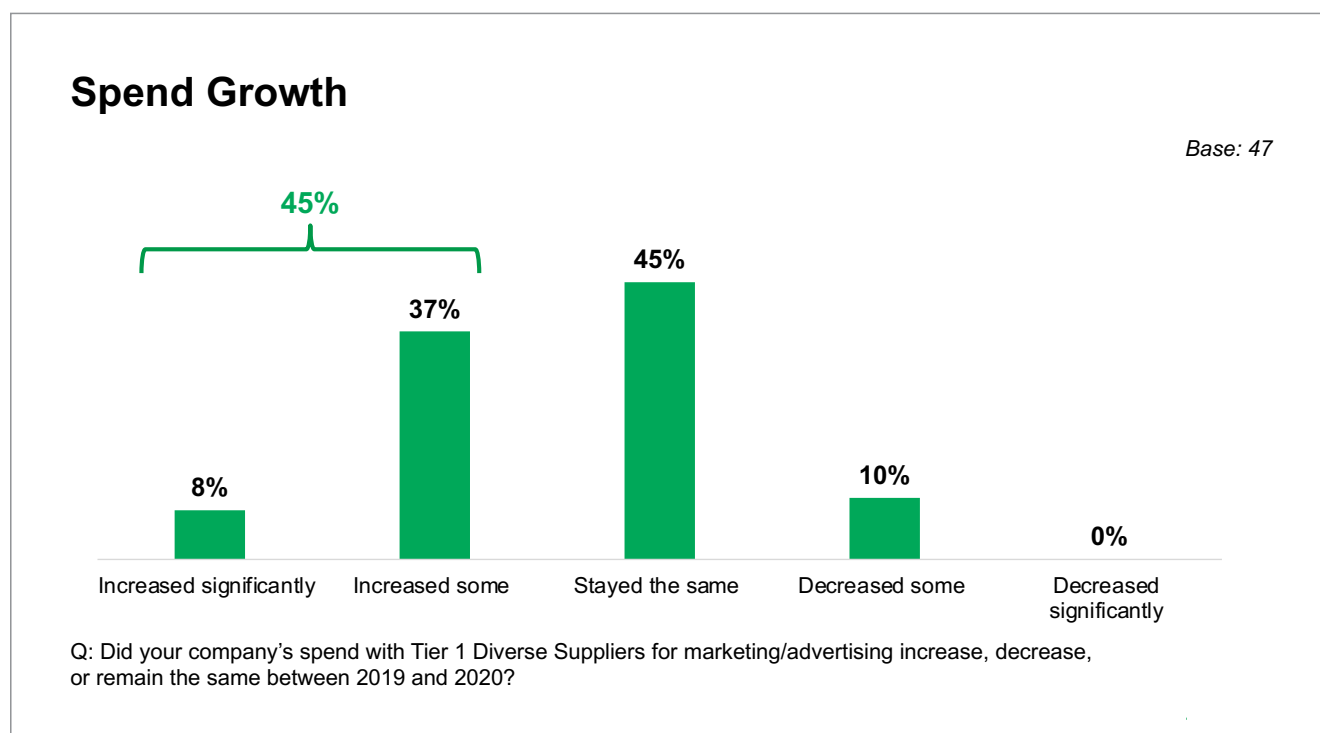
DETAILED FINDINGS

Diverse Spend Increasing for Many

Spend with Tier 1 diverse suppliers for marketing/advertising was much more likely to increase than decrease from 2019 to 2020; for many respondents, spending stayed the same.

- 45 percent of respondents increased spend; only 10 percent decreased spend.
- Respondents were therefore four and a half times more likely to increase than decrease spend with Tier 1 diverse suppliers.

Such level of support is notable given the challenges with the pandemic for many in 2020.



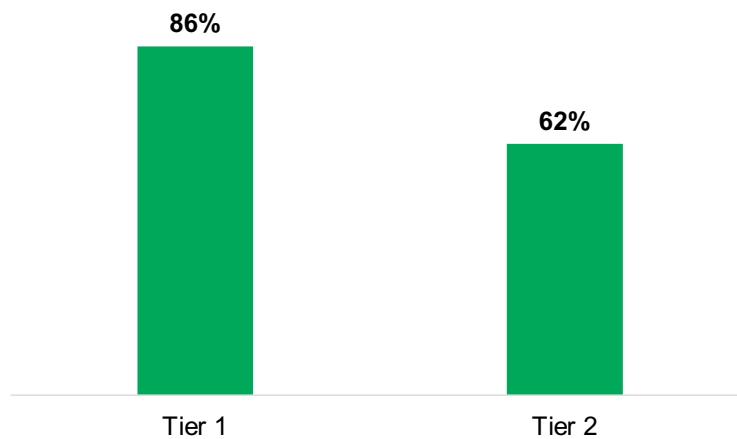
DETAILED FINDINGS

Tier 1 and Tier 2 Goals Exist for Most

Eighty-six percent of respondents have specific goals around Tier 1 spend. Sixty-two percent have specific goals for Tier 2 spend.

Specific Goals for Tier 1 and Tier 2 Spend

Base: 42



Q: Does your Supplier Diversity strategy have specific goals around Tier 1 and Tier 2 spend?

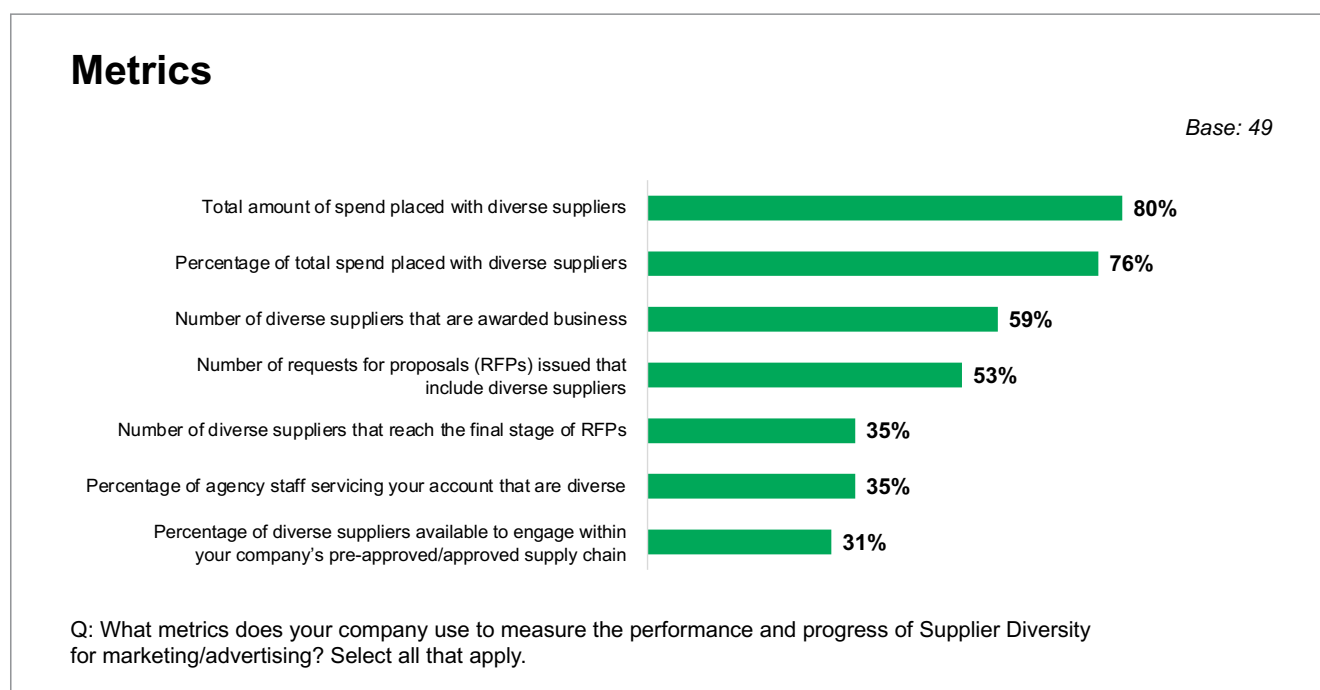
DETAILED FINDINGS

Key Metrics: Amount and Percentage of Spend

The metrics used by the highest percentage of respondents to measure the performance and progress of supplier diversity are:

- Total amount of spend placed with diverse suppliers
- Percentage of total spend placed with diverse suppliers

Such metrics reflect action and not just intent.



In the qualitative conversation we asked whether a strong supplier diversity program could help lead to better business results. There was consensus that it's difficult to link supplier diversity directly with business results. One interviewee commented, "It's difficult to come up with the ROI of supplier diversity, but it's clearly the right thing to do."

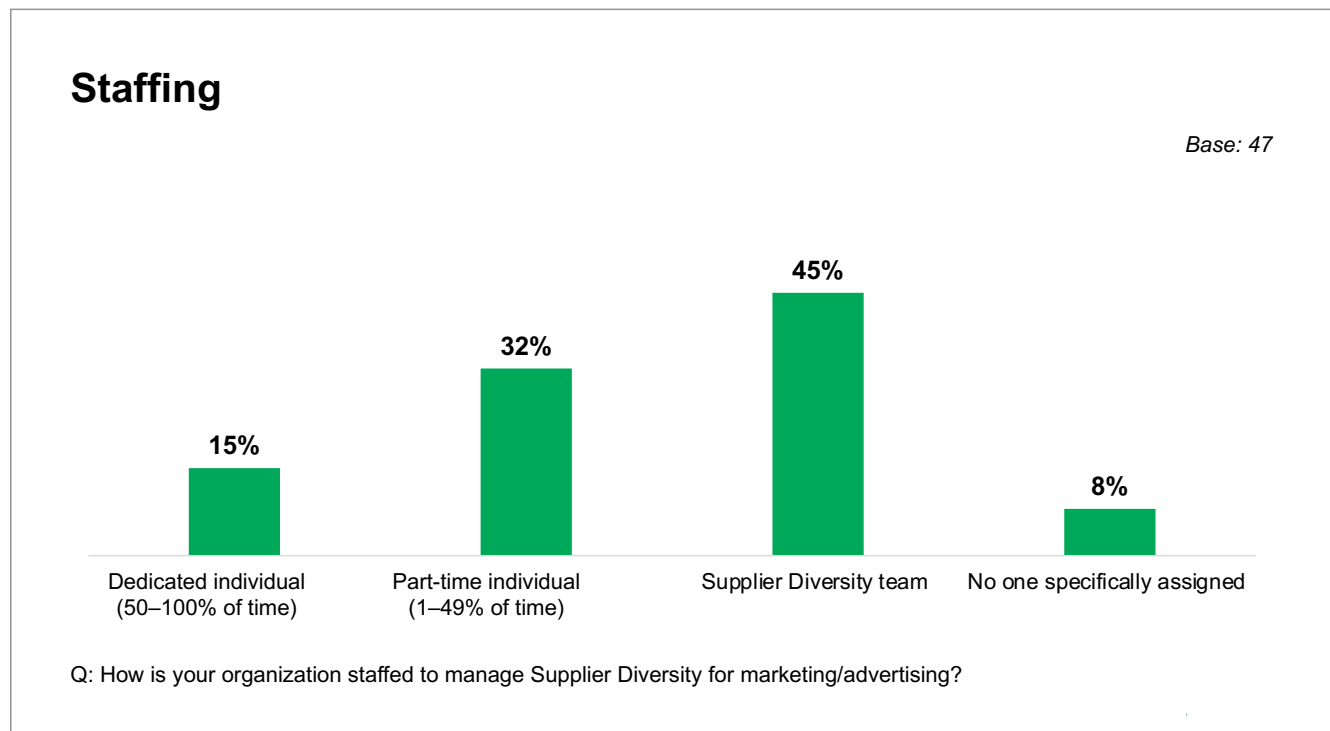
More advanced supplier diversity organizations measure economic impact — that is, the impact that doing business with diverse suppliers has on the economy. It's a measurement of how doing business with diverse suppliers generates revenue, income, and jobs, and how that activity affects the local economy. There are generally four specific metrics:

1. *Output effect:* A measure of revenues generated by small and diverse suppliers within the supply chain.
2. *Employment effect:* A measure of the number of jobs created as a result of the business activities of small and diverse businesses within the supply chain.
3. *Income effect:* A measure of total income generated with small and diverse suppliers within the supply chain.
4. *Tax effect:* A measure of federal, state, and local business taxes as well as personal taxes that are generated through economic activity.

DETAILED FINDINGS

Various Staffing Structures Manage Supplier Diversity

Fifteen percent of respondents have a dedicated individual who spends 50 to 100 percent of their time focused on supplier diversity for marketing/advertising; 32 percent have a part-time individual; 45 percent have a team; 8 percent have no one specifically assigned.

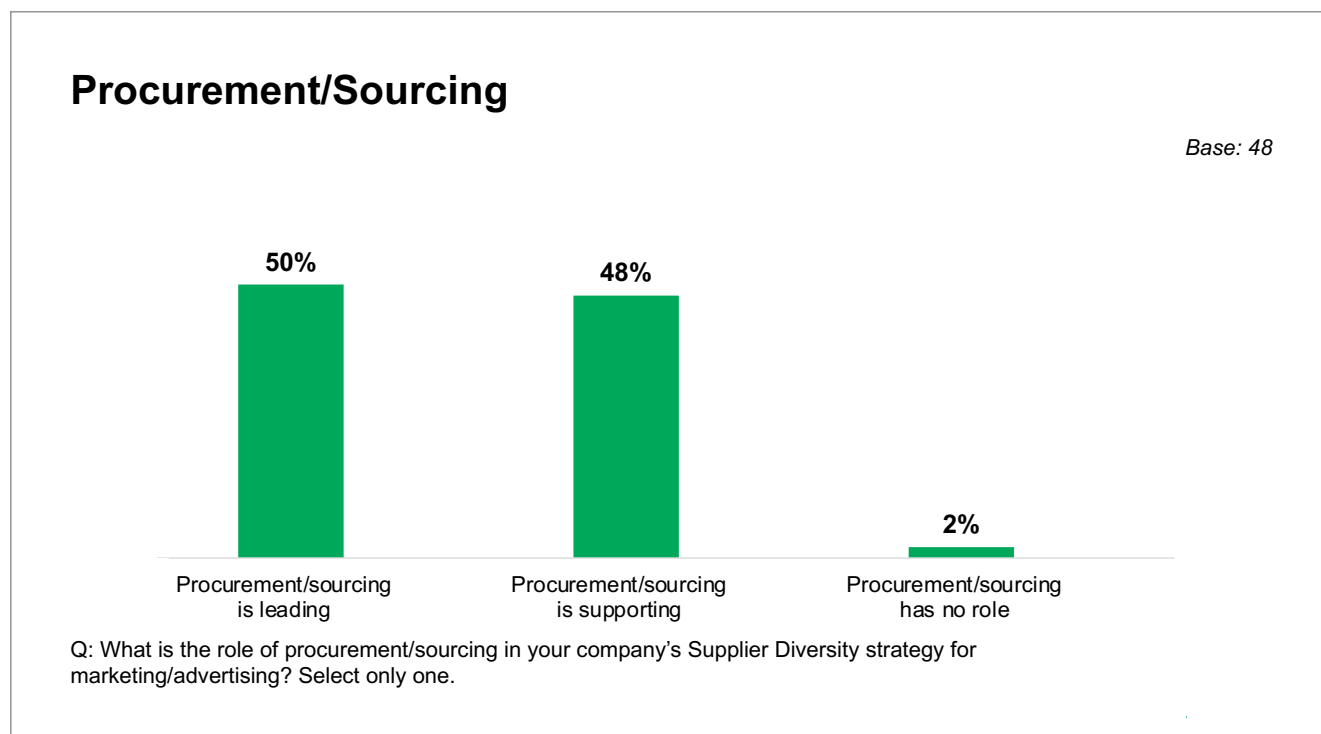


DETAILED FINDINGS

Procurement Has Role in Almost All Cases

Procurement/sourcing is leading the company's supplier diversity strategy for marketing/advertising for 50 percent of respondents and is supporting for 48 percent.

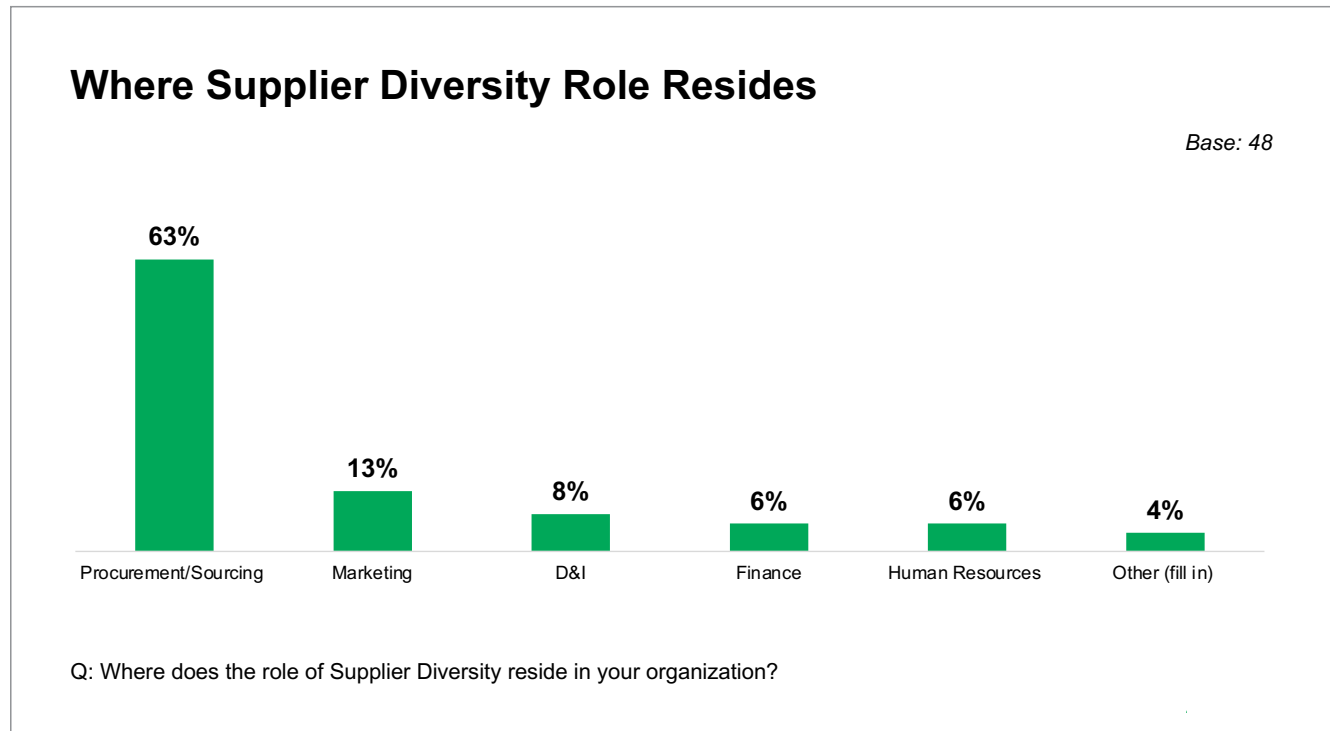
In our qualitative discussions, there was interesting perspective from one sourcing professional: "We (procurement) are leading but not the decision-maker. The business unit owner is the decision-maker. Procurement leads with prospecting and getting visibility to the diverse suppliers and we are a key influencer."



DETAILED FINDINGS

Supplier Diversity Most Likely to Reside in Procurement

The role of supplier diversity resides in procurement/sourcing for 63 percent of respondents.



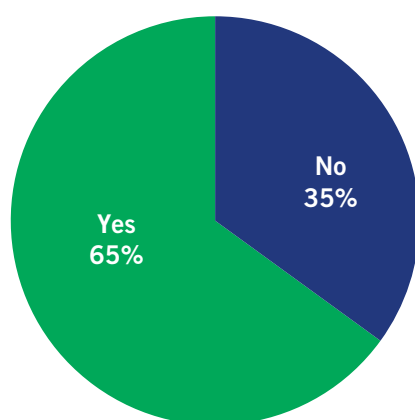
DETAILED FINDINGS

Two-Thirds Have Supplier Development Plans

Two-thirds (65 percent) note that their supplier diversity strategy for marketing/advertising includes supplier development plans. Supplier development plans are growth and/or improvement plans specific to a diverse supplier supporting a business. Plans may include financial, time, and/or mentoring investment by a company.

Supplier Development Plans

Base: 48



Q: Does your Supplier Diversity strategy for marketing/advertising include Supplier Development plans? (Supplier Development Plans are growth and/or improvement plans specific to a diverse supplier supporting a business. Plans may include financial, time, and/or mentoring investment by the company.)

In our qualitative discussion, several members spoke passionately about the value of supplier development plans. One noted that their company has an eight-week program which covers topics including risk mitigation, contracting, payment terms, and how to pitch/present. Another hosts regular supplier development days which typically include a speed networking session between diverse suppliers and business unit owners as well as procurement. For another member, their supplier development plans include mentorship and firm commitments for support. And for yet another, they are helping to break down some of the barriers for diverse suppliers, and specifically noted certification — helping with the certification process and funding the certification.

DETAILED FINDINGS

Most Supply Diversity Strategies Are Established

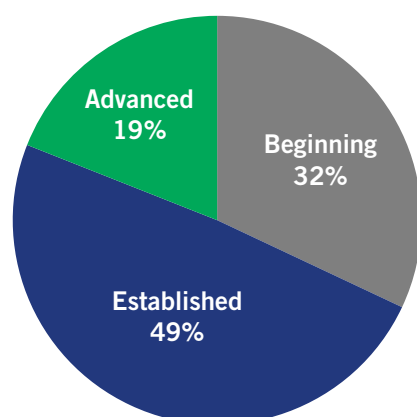
Almost half of respondents (49 percent) classify the maturity of their supplier diversity strategy for marketing/advertising as established, defined as an “active program, traction within the business and with leadership, winning on goals, minimal business integration.”

Nineteen percent are advanced: “Shifting strategies to evolved phases to include Supplier Development Plans, full business integration, evolutionary growth, winning on stretch goals, established achievement awards for teams and suppliers.”

Almost a third are beginning: “Still in the beginning stages of alignment, education, and implementation; no business integration.”

Supplier Diversity Maturity Stage

Base: 47



Beginning: Still in the beginning stages of alignment, education and implementation; no business integration

Established: Active program, traction within the business and with leadership, winning on goals, minimal business integration

Advanced: Shifting strategies to evolved phases to include Supplier Development Plans, full business integration, evolutionary growth, winning on stretch goals, established achievement awards for teams and suppliers

Q: How mature is your Supplier Diversity strategy for marketing/advertising?

How does a company “move up” from having an established supplier diversity strategy to advanced? A step from one maturity level to another is based on each individual company, leadership, employee engagement, and commitment to inclusion. RGMA is a well-respected expert in supplier diversity. The [RGMA 5 Levels of Supplier Diversity](#) provide a benchmark for accessing and improving corporate supplier diversity programs. Its top level, Level 5, is a world-class supplier diversity process. Characteristics of a world-class supplier diversity process that all supplier diversity programs should aspire to have include:

- Supplier diversity process is equal in stature to workforce diversity.
- Supplier diversity is owned by sourcing teams and buyers.
- Ability to measure the program’s contribution to market share and shareholders’ equity.
- Senior management leadership.

DETAILED FINDINGS

Commitment to Diversity & Inclusion, Supplier Diversity, and Multicultural Marketing

Supplier diversity is part of the “trifecta” which also includes diversity and inclusion as well as multicultural marketing. Respondents expressed the highest level of commitment for diversity and inclusion (93 percent), followed by supplier diversity (73 percent) and multicultural marketing (69 percent).

Commitment (Top 2 Box)

Base: 67



Q: How would you rate your company's commitment to each of the following? (Rate on scale of 1–5, where 1 = Low Commitment and 5 = High Commitment.)

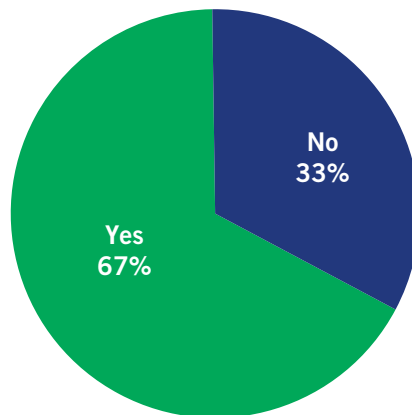
DETAILED FINDINGS

Considering Supplier Diversity Strategy

For those who do not currently have a supplier diversity strategy in place for marketing/advertising, two-thirds are considering doing so. That would drive the incidence of supplier diversity for marketing/advertising from its current level of 69 percent into the range of 80 to 90 percent.

Considering Supplier Diversity Strategy

Base: 36



Q: Is your company considering a Supplier Diversity strategy for marketing/advertising?

DETAILED FINDINGS

Why Respondents Are Considering/Not Considering Supplier Diversity

Representative responses for respondents considering a supplier diversity strategy marketing/advertising:

- “To ensure representation that matches the current U.S. landscape within our advertising and to support diverse businesses.”
- “The company realized that we don’t have enough diversity in our existing portfolio of partnerships and vendor relationships.”
- “We are actively taking steps to diversify across all fronts.”
- “We know we need to do this to support our core values and priority for DE&I, as well as to help reach our diverse guest base in the most authentic way possible.”

Select responses for respondents not considering a supplier diversity strategy for marketing/advertising:

- “We work with very few suppliers, so the need for strategy is null. Also, we’ve had long-standing relationships with those suppliers for decades without need to find new ones.”
- “We don’t have a formal program in place due to lack of resources.”
- “We have an overall approach, but not specifically for marketing/advertising.”

CONCLUSIONS/CALL TO ACTION

1. The importance of supplier diversity for marketing/advertising has increased over the past year for 89 percent of respondents; that includes 58 percent for whom the importance increased significantly. Sadly, one of the reasons for that is due to the various events over the past year. Importance has also increased given the strong connection between diversity and inclusion and supplier diversity — supplier diversity has become an increasingly important part of the overall D&I strategy at many companies.
2. Today's consumers are increasingly diverse. According to the [U.S. Census Bureau](#), around the time the 2020 Census was conducted, more than half the nation's children were part of a minority race or ethnic group. The U.S. population as a whole is expected to follow a similar trend, becoming majority-minority by 2044. A strong supplier diversity program helps ensure that a company's suppliers reflect the communities it serves.
3. Procurement has a key role in most supplier diversity strategies. Procurement can help administer the supplier diversity strategy, establish/maintain relationships with diverse suppliers and other key outside organizations, bring internal groups together, and track/measure progress. The growth of marketing procurement has very likely led to an increase in supplier diversity strategies for marketing/advertising and will probably garner even greater attention going forward. One member referred to this as “inclusive sourcing.”
4. The top challenge in supplier diversity for marketing/advertising is finding diverse suppliers. The ANA and its diversity initiative, the Alliance for Inclusive and Multicultural Marketing (AIMM), have curated two resource lists:
 - Certified Diverse Suppliers, initially published in July 2020.
 - Suppliers Serving Predominantly Multicultural and Diverse Audiences for Marketing and Advertising, Non-Minority Owned and/or Non-Minority Certified, initially published in February 2021.

Details are at www.ana.net/diversesuppliers. These lists are updated on a regular basis and we welcome further contributions from the industry.

Member certification bodies can also play important roles in helping corporations find diverse suppliers. Those include the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC), and the National LGBT Chamber of Commerce (NGLCC). In addition, marketers should ask diverse suppliers already within their supply chain to identify new diverse suppliers.

5. Some diverse-owned businesses are certified (again, by organizations including NMSDC); some are not. For some marketers, that certification may be a requirement for doing business. One qualitative respondent stressed, “Certification authenticates that a supplier is who they say they are and removes the onus on the marketer to do that.” To maximize business opportunities, suppliers should be certified. At the same time, the industry should work together to help make the certification process easier (and less of a barrier) for suppliers.
6. For many companies, media is their most significant marketing/advertising investment. Yet finding diverse media suppliers has been a particular challenge, as the pool of diverse-owned (and/or certified) media companies is small. Marketers are encouraged to expand their criteria when sourcing suppliers to include certified diverse suppliers, suppliers that are diverse-owned but not certified, suppliers that are diverse-operated but not diverse-owned, and/or those suppliers that target diverse segments but are not diverse-owned or operated.

CONCLUSIONS/CALL TO ACTION

7. There is clearly the need for the further development of diverse-owned media. Industry participants — including trade associations, marketers, and agencies — should use their resources to encourage and promote such development.
8. Another key challenge in supplier diversity for marketing/advertising is providing visibility to opportunities to recommend diverse suppliers. It is generally the role of procurement to work with their internal stakeholders to identify opportunities to recommend diverse suppliers. Companies should minimally follow the “rule of one” — including at least one diverse supplier in every RFP, if relevant.
9. Increasingly, marketers are asking their agencies to be diverse and have the agency staff servicing its business mirror that of the U.S. population or the marketer’s customer base. In general, gender diversity at agencies is strong overall, but we still hear that the presence of women in senior leadership roles, especially creative, is limited. Ethnic diversity is still challenging. One respondent talked about “looking at the whole package,” including agency plans for recruiting diverse talent, training programs, affiliations, and even production initiatives. Marketers, of course, must also look internally at the diversity of their teams, and benchmark their progress against the industry. The ANA’s annual report, [“A Diversity Report for the Advertising/Marketing Industry,”](#) is one important industry benchmark for that.
10. Supplier development plans are important. Supplier development plans are growth and/or improvement plans specific to a diverse supplier supporting a business. Plans may include financial, time, and/or mentoring investment by a company. Some marketers are even stepping up to help diverse suppliers become certified. It’s not enough to simply spend money with diverse suppliers. Rather, marketers should invest in the resources to help develop those suppliers. As one interviewee said, “When we make diverse suppliers successful, they help make us successful.”
11. Marketers need to be open to doing business differently when working with some diverse suppliers. For example, they may need to add new people to their teams, invest more time in supplier relationships, relax payment terms, and look beyond conventional metrics. For the latter, be open to conversations with diverse suppliers on ways to evaluate a partnership. Marketers are encouraged to think beyond scale (and reach) for their supplier diversity programs and instead consider the importance of audience engagement and relevance.
12. Supplier diversity for marketing/advertising is still relatively young for many companies. For almost half the respondents, such programs are less than five years old. Almost half of respondents (49 percent) classify the maturity of their supplier diversity strategy for marketing/advertising as “established,” 19 percent are “advanced,” and 32 percent are “beginning.” To progress from an established to an advanced supplier diversity strategy, organizations should consider improving upon how they perform on the characteristics of a world-class supplier diversity process ([per RGMA](#)), including making the supplier diversity process equal in stature to workforce diversity, making sure supplier diversity is owned by sourcing teams and buyers, establishing the ability to measure the program’s contribution to market share and shareholders’ equity, and securing senior management leadership.

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The Growth of Supplier Diversity
