

3 METRICS TO ASSESS SUPPLIER DIVERSITY SUCCESS

The metric most often used to assess supplier diversity success is the percent of procurement budget allocated to Tier I and Tier II diverse suppliers. Some organizations also measure dollar amount spent with these suppliers, but it's important to understand that larger companies have more money to spend and so not all companies have huge procurement budgets.

Companies also look for accountability – is supplier diversity success tied to the compensation of procurement and other executives?

Other metrics include number of diverse suppliers, third-party recognitions received and savings as a result of contracting with diverse suppliers.

The 2017 DiversityInc Top Companies for Supplier Diversity are companies that have achieved success in their supplier diversity programs. Best practices include:

- Integrating supplier diversity into corporate goals
- Having the CEO sign off on supplier-diversity results
- Auditing supplier-diversity numbers
- Ensuring suppliers are certified
- Linking procurement-management compensation to supplier-diversity goals

The Top Companies for Supplier Diversity are:

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|--------------|-------------------------|---------------------------|
| 1. Dell | 5. Comcast NBCUniversal | 9. Marriott International |
| 2. AT&T | 6. Hilton Inc. | 10. KPMG |
| 3. Accenture | 7. EY | 11. Eli Lilly and Co. |
| 4. Abbott | 8. Kaiser Permanente | |



?? Discussion Questions for Employees

» If your company has a supplier diversity program, why is it important to assess success?

Is your organization metrics driven? If so, why is showing supplier-diversity progress important? How relevant are supplier diversity metrics to other business goals, such as increasing market share?

» How can your organization increase the number of diverse suppliers it has?

How can you help your company recognize the value of supplier diversity and get the word out to potential suppliers?