

Best Practices in Supplier Diversity Development

Company

Unacceptable, immediate action plan required					1
Need improvement, Get leadership commitment					2
Acceptable, maintain development					3
Advanced, benchmark to improve program					4
Excellent, World Class					5

Goal 1 Establish Corporate policy and top corporate management support

1. The corporate governance body has established a supplier development program as a policy of the corporation
2. The President/CEO has issued a supplier development policy that articulates the rationale supporting the initiative
3. The President/CEO has appointed appropriate full-time staff and resources for supplier development
4. All level of management are accountable for supplier development
5. Leadership directs that supplier diversity be incorporated into business planning cycles
6. There is a written supplier diversity corporate policy that clearly defines executive management commitment and measures success
7. Supplier diversity business utilization/metrics are included in annual performance goals for the corporation

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Goal 2 Develop a Corporate Supplier Diversity Development Plan

1. The policy is supported by a clearly-stated supplier diversity development business case based on value to the corporation.
2. Employee reviews (of stakeholders, budget holders, etc.) are tied to performance in developing supplier diversity across the organization
3. Corporation has an effective, active cross-functional supplier diversity steering committee
4. The supplier diversity program promotes the inclusion of certified SBEs in all aspects of corporate procurement
5. Supplier diversity is integrated into all aspects of corporate business planning and is part of the "corporate DNA."
6. Roles and responsibility for supplier development is implemented in business units other than purchases
7. Input from other diverse supply groups is included in the supplier diversity development process
8. Developed language/tool kit regarding supplier diversity development is in place across the organization including marketing & sales

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Goal 3 Establish Comprehensive internal and external communication

1. Company-wide awareness of supplier diversity initiative is promoted throughout the organization
2. Supplier diversity development education is included in all new employee orientation
3. On-going supplier diversity education is provided to all procurement employees
4. Company encourages SBEs to see certification and external training
5. SBE suppliers who are not successful in winning bids are debriefed so they can be more competitive on the next bid
6. The company has an effective process to respond to prospective suppliers
7. Company participates in SBE programs and its affiliate networks
8. Supplier diversity results are published in the corporate annual report and/or corporate sustainability report

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Goal 4 Develop and identify opportunities for supplier diversity In strategic sourcing

1. Supplier diversity development is formally integrated into the corporation's strategic sourcing process
2. RFQs/RFPs/RFPs have standard language in place to identify SBEs and the supplier selection process has goals for SBE inclusion
3. SBEs are developed for potential utilization in underutilized product, Service/commodity areas.
4. The supplier diversity team ensures the SBE screening process is fair and

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Goal 5 Establish a supplier diversity development process

1. Mentor program established and active
 - a. One-on-one coaching, executive relationships
 - b. Business process improvements utilized for development
2. Training provided to SBEs
 - a. Company supplier diversity training on corporate goals & strategies

- b. Internal training for suppliers, six sigma, quality, safety, LEED, etc.)
- c. Support SBE or minority training at local and regional level
- 3. Capacity building activities such as:
 - a. Business investment funds and other finance options
 - b. Establish joint ventures or valid strategic alliances and partnerships
 - c. Facilitate mergers and acquisitions

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Goal 6 Establish tracking, reporting and goal-setting processes

- 1. There is an established supplier diversity tracking system in place and is currently reporting results to top leadership
- 2. There are clearly stated supplier diversity performance goals tracked and reported; for example: year over year % increases spend \$ and % spend, utilization, etc.)
- 3. Scorecards are in place and is reported to top leadership on a quarterly basis
- 4. Achievement of supplier diversity goals are tied to performance reviews

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Goal 7 Establish a continuous improvement plan

- 1. Internal annual audits are conducted to verify if activities and related results comply with company plan
- 2. Surveys are conducted with key stakeholders internally to ensure plan is exceeding customer expectations
- 3. A process exist for ongoing communication between the company and SBEs and other minority groups
- 4. Participate in benchmarking with other corporations to indentify best practices

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Goal 8 Establish a 2nd tier program

- 1. Company has established a 2nd tier program
- 2. The 2nd tier goals have been shared with 1st tier suppliers
- 3. There is a formal system in place to measure 1st tier supplier results
- 4. There are sanctioned action plans for 1st tier suppliers who do meet 2nd tier program goals

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Average of 8 Best Practices #DIV/0!

CRITERIA	SCORE
Not familiar with the requirements of the core competency.	0
Knowledgeable of the requirements of the core competency, but has no evidence of source documentation, planning, or implementation	1
Knowledgeable of the requirements and skilled in the use and implementation of the process. Implementation is less than 50% and planning documentation exists for complete (100%) implementation.	2
Knowledgeable of the requirements and skilled in the use and implementation. Implementation is greater than 50% but less than 80%, and planning documentation exists for complete (100%) implementation.	3
Knowledgeable of the requirements and skilled in the use and implementation. Implementation is 100% and planning documentation exists for continuous improvement.	4
Knowledgeable of the requirements and proficient in the use and implementation. Implementation in typical areas of focus is 100%. Demonstrates innovative use and benefit beyond the typical area of focus.	5