

## Supplier Diversity Best Practices

**Goals.** Setting quantifiable goals for making purchase from MBEs and WBEs is critical to the success of any supplier diversity program.

**Accountability.** Managers as well as individual buyers need to be held accountable for reaching MBE and WBE goals.

### **Integral Part of the procurement departments sourcing process.**

Helps ensure MBE and WBE suppliers are provided an opportunity to compete and obtain business for your organization.

**Advisory Group.** Establishing a cross-functional advisory committee provides valuable feedback on how to improve the program, obtain resources, and also gets “buy in.” Advisory groups are an essential part of building a coalition for change that opens the doors to new opportunities for M/WBEs.

**Awards Program.** Suppliers and Hospitals who make the extra effort should be recognized to reward them but also to encourage others.

**Subcontracting.** The supplier diversity program should also include Tier 2 or subcontracting program. Tier 2 is essential since many procurement dollars are spent with M/WBE suppliers.

**Excludables.** The list of items excluded from MBE and WBE goals should be kept to a minimum. Examples of items typically excluded from the base are payroll, taxes, and intra-company transfers. It helps if there is a set of industry standards in this area.

**Education.** Buyers and Tier 1 (prime) suppliers need to be educated on how to develop and manage supplier diversity programs. The best programs include ongoing education in such areas as marketing, technology, and business alliances.

**Certification.** Only M/WBE firms that have been certified by an accredited third- party agency should be used. Use of certified suppliers helps prevent the use “front” companies.

**Benchmarking.** It is a good idea to benchmark your organization’s supplier diversity process, both internally and externally. Benchmarking outside your industry is a good way to get “breakthrough” results.

**Outreach.** A pro-active program is needed to outreach to minority- and women- owned businesses. This involves attending trade fairs, having a web site, advertising, etc. Outreach is an essential part of learning the capabilities of individual M/WBE suppliers.