

**Supplier Diversity:
Notes of the break-out sessions at the Law Society seminar
(19th September 2011)**

Below some of the main points emerging from the breakout groups at the recent seminar on supplier diversity held at the Law Society are summarised: Various themes were explored:

Potential Drivers for Supplier Diversity

It was recognised that there were various drivers for supplier diversity programmes that reflected different organisations, their areas of business and priorities. Points made included (applying in various degrees to the companies/organisations attending):

- Client demand was a key driver: There was also an increasing tendency among larger clients to conduct periodic audits of diversity performance, aimed at identifying what was being delivered in this area and how it was making a difference. Organisations were also increasingly being asked to address this issue in tenders: There was a need for a solution to be developed to fit client agendas.
- Supplier diversity was beginning to be seen as an integral part of an approach to diversity/equality, apart from employment and how services were being delivered. Questions were being asked about the area internally and externally in organisations, and there was a feeling ‘that we need to be ahead of the game’, and develop an approach that takes account of diversity in procurement and supplier relations.
- It was seen to be a logical add on to procurement systems, taking account of CSR concerns and the SME agenda: Many felt that the pragmatic Carillion approach outlined in the plenary was helpful; encompassing a number of social but business driven agendas: ‘local’, CSR related, supporting small businesses for example, with diversity being seen as an integral part of the equation.
- Business case arguments including for example gaining access to new ideas, increasing competition, widening the number of suppliers, aligning supply chains with a diverse market, being responsive and innovative, adding value etc : However, there was a need for more evidence for the business case on supplier diversity to be developed in the UK and Europe.

- Community impact: CSR issues and fulfilling client expectations: Helping to regenerate communities and encourage new entrepreneurs: Linking to public perceptions of organisations.
- Leadership and Communications: Need to ensure that the message decided at the top is fed through to front line staff and that they are supported in delivering it.
- The threat of legislation and enforcement can also be a driver: For example, public bodies failing to take into account their obligations under the equality duties.
- The Role of professional bodies such as the Law Society and CIPS can be drivers. The Law Society for example had been successful in promoting diversity through using peer competitiveness.

Other Issues: What more information/evidence/guidance is needed to develop supplier diversity in organisations?

Several consistent themes emerged:

- Best practice case studies were needed: This might also include the development of a framework, toolkit, and hand holding, advice provision etc. There was a need for assistance in customising and helping to implement approaches in various organisations taking account of corporate cultures.
- The importance of driving the message to second tier suppliers and further down the chain. An emphasis needed to be placed on indirect impact and not just solely concentrating on the policy and approach of tier one suppliers (although they may be the driving force).
- Data: to show that organisations are delivering what they say they are. Measurements were needed: this may include return on financial investment and social investment. It was important to have some bottom line figures to justify the claims for the business case.
- A 'survival guide' was needed: Simple guidance on what to do, what not to do, what pitfalls to look for, positive messages to take the mystery out of it all.
- Where conditions are built into contracts there is a need to ensure that this is followed through, monitored and evaluated, and impact assessed.
- There is a need to recognise the barriers and concerns of smaller businesses; the compliance process and procurement systems can be seen to be burdensome. Particularly difficult are demands for evidence of equality policies being in place and performance data collected over a number of years. There is also the issue that the language of equalities can be off-putting for some business people.

Issues for the future: What should be developed further?

All of the above of are relevant, but specifically:

- Consolidation of contracts and other barriers are making it more difficult for small businesses to win contracts: How can this best be addressed?
- Toolkits/standards etc; Need for these to be available and customised for different types of business and organisations: Keeping them relatively simple.
- Influencing the Government, and also working to try and ensure consistency by Government in their procurement and commissioning systems.
- Bottom line evidence on economic and social returns on investment: need figures/data to measure and reinforce why supplier diversity is good for business.
- Develop an approach that encompasses second and third tier businesses: Communicating the message to smaller companies and businesses.
- Identify and disseminate relevant case studies

September: 2011