**Trends are converging to position diversity as a strategic imperative – is your company ready?**

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Even before the onset of COVID-19 or a change in presidential administrations, diversity was on the fast track to becoming a strategic business imperative. Recent social movements – “Black Lives Matter,” “Me, too,” “LGBTQIA+” – have all been fueling this transition, with today’s savvy organizational leader acknowledging the impact of diversity both on their community and their bottom line.

Historically speaking, supplier diversity has been leading the charge for years as a matter of corporate responsibility. Today, however, corporations are connecting supplier diversity to their overall social responsibility efforts AND including it as a key measure of success. It is exciting to see conversations about diversity happening at the top, and it helps the overall mission as CEO’s and C-suite leaders incorporate it into their goals.

**Linking to equity and inclusion**

Anyone in the supplier diversity profession knows it is difficult to create an exemplary program within a company without a successful diversity equity and inclusion initiative already in place or planned to be implemented. If diversity isn’t accepted in the workplace, it’s almost impossible to accept it in the supply chain. The two go hand-in-hand.

More importantly, when supplier diversity is plugged into diversity equity and inclusion, it becomes a much bigger strategy. Now you are talking job creation, which was the original intent of the executive order in 1969, requiring organizations to do business with minority-owned businesses. Today, along with helping underserved communities, those who approach it strategically know it also creates jobs where their organization resides and beyond, as diverse businesses are the ones taking more chances on hiring individuals from those communities.

**Elevating diversity awareness**

All of today’s movements are advocating for the same thing: Individuals and groups from underserved communities want and need their voices to be heard. When government and corporate America responds, these groups feel respected.

In this spirit, we are starting to see corporations step up and support marginalized populations. Employee resource groups are strategically breaking down their needs and becoming a conduit between the employees and senior leadership. This helps to negate any political challenges related to speaking up if you are part of an underrepresented group. Enabling people to speak collectively versus individually helps to creates a safe space.

Our society now demands this. If corporations don’t foster a conducive environment for diverse populations, these individuals won’t stay. They’ll take their talents elsewhere and it will hurt employee retention. Today, everyone has to support diversity equity and inclusion at all levels to be successful.

**Learning from COVID-19**

On top of societal pressures, COVID-19 has taught us the importance of utilizing small, diverse, domestic suppliers to help address shortages in times of crises. For instance, we faced a shortage in the U.S. of personal protective equipment (PPE) and other supplies (paper towels, toilet paper, etc.), because we relied too heavily on other countries for these products.

Not only should we start manufacturing more of these types of products in the U.S., but we ought to develop diverse businesses to do it. This includes providing the capital to help small businesses scale up so they can supply products globally and strengthen our exporting capabilities. The more diverse businesses can support these efforts, the more jobs are created in struggling underrepresented communities.

Coming out of COVID-19, expect to see a big wave of new business formation, with at least some of these small, emerging diverse businesses becoming the next corporate behemoths. These organizations are creating something we need today … everything from new digital conferencing platforms to telehealth services. They are responding to how COVID-19 is impacting the lives of individuals at home and globally, creating the next wave of products and services that support those needs.

To get there, it takes individuals who are forward-thinking, strategic, have access to capital and align with the right partners to support supply needs in a new way. Larger corporations want to collaborate with innovative start-ups, taking advantage of this period to capture more revenue. According to McKinsey, a management consulting firm, companies that embrace supplier diversity are 33% more likely to see higher than average profit.

**Impact of administrative change**

As if social pressures and a pandemic aren’t enough, America also anticipates the impact of a presidential change, with the incoming administration vowing to be different than its predecessor on a wide range of issues, including diversity equity and inclusion. Most assuredly this will include support for domestic and global needs in terms of consumption and sustainability.

The Biden administration has already broken ground with Vice President-elect Kamala D. Harris, who is the first woman ever to hold the position – as well as a Black and Indian woman. Cabinet and Cabinet-rank nominees include a Latino immigrant, a Jewish American and others picked from underrepresented groups in American Leadership, as reported by The Washington Post in its [November 28 article](https://www.washingtonpost.com/politics/2020/11/28/biden-bets-diverse-cabinet-staff-handle-problems-diverse-nation/), “Biden bets on a diverse Cabinet and staff to handle the problems of a diverse nation.”

The article noted that “Biden appealed to voters by assuring them he would lead a team that was not just sensitive to and aware of the challenges that many people of color, immigrants, refugees, Muslins, women and LGBTQIA+ Americans faced … but a team that had individuals from these respective groups influencing policy.”

**Leveraging a convergence of forces**

All of these trends are converging to create a force for diversity the likes of which America has never experienced before. This impacts corporations, government and society in general, challenging all of us to look at things differently.

How should corporate America respond?

1. The first step is to put a diversity infrastructure in place that includes executive support. Companies need a leader and a team.
2. Evaluate the collective diversity of your board and then seek to diversify the board based on, at a minimum, the population of the U.S.
3. Consider bringing on a diversity consultant firm if you don’t have the resident expertise within your organization. Firms often bring a team to the table and offer companies diverse experience and skill sets that can be leveraged for an exemplary program.
4. Tie your diversity strategy to your overall business strategy.
5. Use best practices to generate solutions and be open to internal, forward-thinking ideas.
6. Celebrate success, promoting diversity wins both internally and externally.

**What success looks like**

Companies that are on the forefront of diversity aim to design, build, launch and manage exemplary supplier diversity programs. This includes creating a strategic roadmap with revenue-generating goals. RLC has worked with corporations in a range of markets, including healthcare, hospitality, financial services, government, sports and entertainment, community affairs, creative services and more. Because no business is the same, the programs and approaches are as diverse as the suppliers themselves.

In the case of one of the largest title companies in the U.S., they started by developing a strategic plan and aligning with a supplier diversity group for financial services. One of the largest health systems in New Jersey conducted a thorough audit on their suppliers and sought out minority and women-owned businesses to develop and utilize. A financial services company launched an innovative program to assist their diversity suppliers with retirement planning.

Ultimately, the most important thing is to get started. This is a historic time and diversity should be considered a strategic imperative for any organization striving not to just survive but thrive during this significant period of innovation.

No matter where you are on your diversity journey, RLC can help. To learn more about our services [visit our website](https://rlcdiversity.com/), call us at 972.510.8099 or email us at rlc@rlcdiversity.com.