



Supplier Diversity & Certification

(by Mary Shannon)

WHAT IS CERTIFICATION

Certification refers to the confirmation or authentication of certain requirements by an external organization. Certifying agencies may be federal, state or city departments, or nationally recognized third-party organizations.

These organizations verify the ownership and operational status of a company—for example, whether it is owned by a woman or person of color.

HOW CERTIFICATION CAN WORK FOR YOU

Certification helps many small businesses grow. But is it right for your company?

Depending on the product or service you provide, you must decide whether certification is a fit. What are the benefits to you and your company’s goals and objectives?

When making a decision, here are some suggestions to keep in mind.

THE IMPORTANCE OF CERTIFICATION

Certification can be a worthwhile competitive business tool. It is not a guarantee of business.

However, it can substantially increase the visibility of a small business and provide leverage in attracting new businesses that are in need of your product or service.

For instance, a certified business will be listed in an MWDBE directory provided to companies doing business with government entities. These companies rely on this directory in finding qualified, certified MBE/WBE/DBE firms to meet the government’s utilization goals, often listed on a contract-specific basis.

Many major corporations rely on a variety of local and national certifying agencies to help them find diverse-owned businesses, as well.

The Small Business Administration requires that businesses be qualified as small

businesses (number of employees or average annual receipts) in order to contract with the federal government or institutions receiving federal funding. The SBA’s website provides a wealth of information about the criteria for qualifying as a small business.

DOING BUSINESS WITH CORPORATIONS

What is Supplier Diversity?

Supplier diversity is defined as a proactive business process that provides equal access to procurement opportunities for all suppliers and promotes economic development in the communities in which we all live and work. These suppliers may include minority, women, veteran, LGBTQ, service disabled veteran- and disabled-owned enterprises; historically underutilized businesses; and SBA-defined small business. The purpose of the business strategy is to help diversify corporate supply chains.

Supplier Diversity Business Case

The same business case that supports diversity and inclusion in the workplace also applies to the need for a diverse supplier base. Having an inclusive supplier base provides diverse perspectives to help meet the challenges of a multicultural market place.

Corporations with supplier diversity programs have a strong commitment and business case for supporting small and diverse businesses. As you look to do business with corporate organizations and compete in today's ever-changing marketplace, the following should be considered:

- » Be prepared and research the company you are pursuing.
- » Understand what's important to the company.
- » Be able to articulate how your capabilities align with the corporation's needs, your competitive advantage and what sets you apart from your competitor.
- » Is your company financially sound, and do your financials show positive cash flow?
- » At a minimum, you must deliver value-added benefits in the form of cost, quality, service and innovation. And deliver on your promise!
- » Bring solutions to the table, build relationships and be persistent.
- » Are you willing to form strategic alliances or joint ventures with other small businesses?
- » Is there a specific niche you can fill?
- » Research and complete a

corporation's online registration form.

- » And last, but not least, are you certified?

Certification offers both the corporation and the supplier important benefits.

For the Corporation

- » Certification assists in the identification and validation of diverse supplier ownership.
- » Committing the effort and resources to obtain certification indicates seriousness of prospective suppliers.
- » Certification databases provide access to high-level company profiles useful in identifying supply market candidates.
- » Certification drives competition (on price and service levels) between the company's existing and potential vendors.
- » Allows a company to take advantage of new opportunities for business expansion with the emergence of new consumer needs based upon shifting demographic realities.

For the Supplier

- » Enhances company's exposure as a diverse business.
- » Provides access to development opportunities, workshops, business-building tools, mentoring, etc., developed explicitly for diverse businesses.
- » Offers networking and introductions that can lead to relationship-building with prospective customers.
- » Opens up a world of peer activities and contract-

ing and business alliance opportunities with other diverse entrepreneurs.

- » Grants access to corporate supplier diversity advocates.
- » Positions supplier in a highly competitive marketplace.

For more detailed information on supplier diversity programs, visit the websites of the companies, corporations and multinationals with which there is an interest in establishing a working relationship and review their requirements for becoming a small/small diverse business supplier.

DON'T MISS OUT

Most supplier diversity programs contract with certified businesses, so the lack of certification could mean you are missing out on opportunities.

Many government projects devote a certain spend to certified diverse suppliers – these are opportunities small businesses simply cannot afford to miss out on.

Certification provides a great opportunity for organizations to discover and hire your company.



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