

TOOL 2.6

Developing a Comprehensive Gender Diversity Supply Chain Program

- » **GOAL:** Develop a comprehensive program for increased supply chain diversity
- » **TARGET UNITS:** Procurement

After signaling intent to improve supply chain gender diversity with a code of conduct, it is time to focus on creating a comprehensive gender diversity supply chain program. This process is based on the supply chain self-assessment (see [TOOL 2.2](#)) and is detailed here.

Action item 1. Review and update local procurement policy.

Review the policy with an eye toward making it easier for women-owned businesses to qualify and register as vendors and addressing bottlenecks as identified in the assessment.

- Define women-owned businesses and clarify criteria for qualifying as such, in accordance with the code of conduct. (See [TOOL 2.3](#) for more details on qualifying criteria.)
- Highlight areas of the local procurement policy or current procurement guidelines that contribute to the bottlenecks and challenges that were identified in the assessment:
 - How are tenders advertised? Is circulation of opportunities typically reliant on word of mouth, business networks, or other types of communication that may disadvantage smaller, newer firms, or those without access to more established business networks?
 - Review criteria for authorized vendors to determine whether financial or legal requirements are unnecessarily precluding or overly hindering local women-owned firms. Do these requirements—such as duration of company's existence or minimum amount of income in preceding year—prevent women-owned vendors that otherwise have the qualifications and capacity from bidding on the job?
 - Are contracts typically bundled together—including multiple types of tasks—in a way that excludes smaller businesses? Smaller businesses, which often include many women-owned businesses, may have difficulty responding to larger, more complex, or multi-task bids.
 - What is the typical payment structure for contracts? Are companies expected to invest significant time in planning or early-stage work before the first payment? Such expectations could pose an undue hardship on smaller firms.
- Identify ways to modify the current standards without altering essential qualifications or qualitative standards: This extends to all bidders, not just women-owned vendors. There are several options here, including the possibility of substituting alternate evaluation criteria or the potential for providing more support to bidders so they can meet the standards.

BOX 2D | Anglian Water's Platform for SME-led Innovation and Partnerships

Anglian Water, a company that supplies water and water recycling services to more than 6 million domestic and business customers in the east of England, is engaging with local suppliers in creative ways to deliver environmental solutions. "SMEs and local suppliers are an untapped opportunity," says the company Head of Sustainability, Andy Brown, who believes supporting local suppliers is critical, especially for innovative ideas. "Cutting-edge businesses might not be able to demonstrate long-term success. Offer them low-risk opportunities and work together to monitor it."

To encourage smaller businesses to share ideas, Anglian Water has launched an online portal, the Water Innovation Network. This free business network allows potential suppliers to present their solutions to the challenges being faced. One successful example of the Water Innovation Network in action is a new partnership between Anglian Water and Concrete Canvas, an SME that produces a flexible concrete-impregnated fabric that hardens when hydrated to form a thin, waterproof concrete layer. It is 10 times quicker to install than conventional concrete and better for the environment. Concrete Canvas used the Water Innovation Network to pitch the idea to Anglian Water, and within nine months the product was being trialed on a site.

Source: Katie Jacobs, "How Anglian Water is Making Water Cleaner" 2017

Action item 2. Develop accountability and implementation incentives.

Hold departments accountable for achieving targets on engaging with women-owned firms. They should justify reasons they have—or have not—succeeded in reaching these targets.

- Create incentives: This will encourage departments to reach targets for engaging with women-owned businesses. The incentives should extend to managers by way of incorporating progress towards meeting women-owned business engagement targets into managerial performance evaluations. Performance should be measured in part by quantitative indicators, such as the number of women-owned businesses engaged, as well as qualitative indicators, such as the level of effort to identify, include, and engage these businesses.
- Create voluntary or compensated mentorship programs: In particular, such programs should involve opportunities to connect female staff with local female entrepreneurs. If the programs are voluntary, consider other types of recognition, such as awards programs to honor teams that contribute the most toward community mentorship.

Action item 3. Provide training and support to help develop local women-owned businesses.

In addition to establishing policies requiring local inputs, many companies are investing in the development of local suppliers in nearby communities. (For more on support for local women-owned businesses through community engagement activities, see [TOOL SUITE 3](#).)

- Ensure that programs address the specific needs of women-owned businesses: Remember that these businesses often lack equal access to networks, capital, and finance.
- Consider support for microenterprises: Typically, women-owned firms are smaller than those headed by men, in part because of unequal access to capital. If provided the appropriate support, some of these microenterprises could become strong and capable suppliers.
- Work with financial institutions to provide financing for training participants: Encourage financial institutions to provide such funding on their own, or partner with them in support of these new businesses. According to Deloitte, some companies work with funders to offer “women-bonds” specifically to support women-owned businesses; other business accelerators and incubators provide equity funding to women-owned SMEs to promote growth.
- Make use of local content programs to support mentorship and networking for women-owned businesses: These firms do not have the same networks as male-run businesses, so programs that help them build new networks can lead to longer-term benefits.
- Review training curricula to ensure that programs are targeted and inclusive. (See Box 2E for more.)

Action item 4. Review and update communication strategies.

Keeping women-owned vendors informed about upcoming contracting opportunities is key to meeting goals for gender-diverse procurement. Use findings from the assessment regarding local women-owned businesses to guide this outreach. Here are some guidelines to assist you in revising and updating communications strategies to ensure a more gender-diverse contracting pool:

- Take a look at the way opportunities are communicated: Is language gender-inclusive—for example, using terms like “foreman or forewoman” instead of just “foreman” or “foreperson”? Are women-owned businesses and businesses that include a significant number of female employees specifically encouraged to apply?
- Designate male and female staff to represent the company at local trade fairs: This will send a strong message that the company is interested in contracting with both male- and female-owned companies.

- Conduct local workshops to teach small business owners, and even specifically women business-owners and their representatives, how to respond to RFX. Topics should include registering as a vendor and understanding qualifications and requirements.
- Set up a local enterprise center or kiosk and provide training on how to register online: This will assist potential vendors that have limited Internet access. (See **TOOL 2.7** for more on capacity building.)• Encourage businesses to register online as suppliers and urge them to spread the word to colleagues at other businesses.

BOX 2E | Making Training Targeted and Inclusive

Among the ways for companies to get the most out of their investment in training for potential women-owned suppliers:

- Ensure that training for local suppliers on how to qualify and register as local suppliers is gender- inclusive.
- Make training equally accessible to males and females by providing childcare and offering events at different times of the day.
- Provide female mentors and coaching specifically geared toward women-owned businesses.
- Create specific mentorship, training, and incubator programs for women-owned businesses.
- Provide targeted training.
- Provide non-cognitive skills training to build women's self-confidence, with a focus on personal development and leadership.
- Identify key sectors where women-owned businesses could flourish and build programs geared toward these industries.
- Partner with local players to develop women-owned businesses: For example, work with local banks to train women on financial fundamentals and opening business accounts, and encourage banks to consider offering credit or advances against corporate contracts.
- Partner with training institutions to provide targeted training with specific outreach to women: Programs should provide childcare and lead to specific supply chain opportunities.
- Develop a knowledge-sharing and feedback mechanism for minority applicants and suppliers: This enables suppliers and potential suppliers to learn from each other.

- Communicate to Tier 1 and 2 suppliers and contractors that they are responsible for implementing the code of conduct and diversity and inclusion targets in their contracting.
- Review and revise the company's internal communications on the updated local procurement plan:
 - Consider adding incentives and accountability for implementing the updated plan
 - Ensure that all staff are familiar with the plan
 - Identify communication strategies to inform staff of changes and additional updates
 - Provide training on the updated policy for all staff with procurement responsibilities
- Review and revise the ways in which the company communicates to the public about RFX.

Action item 5. Identify and secure additional resources needed to implement the plans.

Update the budget to include expenditures associated with gender diversification.

Additional costs may include:

- **Staff:** Will additional staff or consultants be required for the training or mentorship activities?
- **Compensation:** Will staff who offer mentorship services be compensated, or will there be a monetary reward for the staff member that provides the most voluntary mentoring?
- **Services:** How many trainings or mentorship activities will be developed, and at what cost per event?
- **Contracts:** If the company plans to provide loans to SMEs to support development and/or as advances on contracts, determine the source of funding, loan structure, and interest rate schedule.
- **Communication:** Determine the additional costs associated with targeted communications designed to connect with the community and women-owned businesses. It might be possible to share costs with other departments, such as community engagement, or with external partners, like the local chamber of commerce. Be sure to identify the potential savings that might come from this cost-sharing approach.