

LEHMAN BROTHERS

“We want to do business with diverse companies but where do we find them?” asks Sam Kemp, supplier diversity champion at global investment bank Lehman Brothers.

Working for Lehman Brothers in London, Sam Kemp is an Executive Director in European Finance working in Equities Management Reporting and alongside this, in supplier diversity.

“Finding diverse suppliers in the UK is very difficult as unlike the US there is no database,” Mr Kemp told engage magazine. “Here it would really be a matter of having to start from almost nowhere to find an ethnic minority supplier. If we, for example wanted to find a corporate entertainment supplier that was a diverse company, where would we start?”

Last year, in an attempt to identify diverse suppliers and raise awareness of diversity among its existing supplier base, Lehman Brothers launched the European Supplier Diversity Initiative.

“Diversity in its broadest sense is critical. Supplier Diversity directly addresses the commercial side of diversity,” said Mr Kemp.

“At Lehman Brothers we believe that there is a definite case for supplier diversity. Without a doubt diverse suppliers are difficult to find. We want to ensure that when we engage a third party we want to be as diverse as possible and cast the net as widely as possible.

“Diversity is a critical component of the Firm’s approach and is a very critical part of our strategy.

Recognising the need to establish the level of diversity among its

existing supplier base in June 2006 Lehman Brothers launched a series of Supplier Diversity Breakfast Briefings.

Following each briefing session, a questionnaire was sent to suppliers covering topics such as ownership demographics, diversity policies, and general company information.

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Brothers to understand more about the diversity of its supplier base, as well as to better understand the diversity-related efforts of suppliers.

“Most suppliers had never heard of the term before or were unaware of what it was all about,” said Mr Kemp. “It was a great opportunity for us to inform our suppliers about supplier diversity.

The company received such a good response that it has now decided to “top up” the information with a blanket questionnaire which it is sending to approximately 1,500 companies by post and email.

Questionnaire results are being used to further develop the supplier diversity processes and procedures already in place throughout Lehman Brothers and to identify mentoring opportunities with suppliers.

Lehman Brothers is also a charter member of an organisation called

Minority Supplier Development UK (MSDUK), through which it has been involved in “Meet the Buyer” events. At these events Lehman Brothers’ category managers have met a number of well qualified small diverse businesses who then have the opportunity to network with those who are responsible for the procurement of goods and services across Europe.

However, Mr Kemp was keen to point out how supplier diversity should not be seen.

“Supplier diversity is not positive discrimination - we are very clear about that,” Mr Kemp said. “We would not compromise quality or value, and that is one of the reasons why we do not have targets. Nevertheless we are currently doing an exercise in order to understand how many companies that we are doing business with are actually diverse. But we are definitely not looking to set targets just for the sake of it.

“Supplier diversity is important because it identifies the best suppliers. For example, in terms of software, we probably need various small developers that specialise - diverse companies included. Supplier diversity is also part of the Firm’s leadership agenda.

Although Lehman Brothers’ involvement with supplier diversity is fairly new (as with most organisations in the UK) Mr Kemp believes Lehman Brothers has been successful in raising the awareness of supplier diversity throughout the Firm.

“Supplier diversity in the UK is very much in its embryonic stage,” said Mr Kemp, “so it is great for us (Lehman Brothers) to be involved in agenda-setting.



“Lehman Brothers believes that attracting and retaining the best suppliers from the widest pool of talent is a key driver for future business success”

“We need to make sure we understand our own supply base, then give diverse businesses the opportunity to pitch for contracts at the tender stage - with a view to awarding contracts. Only then can we get a feel of which companies can really supply. Finally, we can then look to set goals for ourselves, making goals around actual spend.”

“I genuinely feel we can make a difference to how supplier diversity is positioned in the UK and personally I am very positive about it,” Mr Kemp said.

**For further information
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Supplier Diversity
Champion

Sam Kemp