

Race for Opportunity

Benchmarking Supplier Diversity in the UK

The **Race for Opportunity** campaign, established in 1995, is a growing network of **private** and **public** sector organisations working across the UK to promote the **business case for race and diversity**.



Sandra Kerr Director,
Race for Opportunity

Race for Opportunity continually challenges organisations to underpin strategies with concrete actions, guaranteeing a positive impact on business performance. All organisations that are members of our campaign are committed to promoting racial equality within their business and are driven by the business case for race.

Supplier Diversity and engaging minority ethnic businesses in their supplier chain and as business partners, is one of the four key areas this campaign works on in conjunction with affiliated organisations. The remaining areas of focus include marketing to ethnic minorities as profitable consumers; employment including recruitment, selection, progression and retention of Black and minority ethnic employees and diversity-proofing community involvement activities and initiatives to ensure

inclusion of minority ethnic individuals and communities.

An integral part of any organisation's race diversity programme is to ensure that they promote race diversity outside of the company in addition to their internal efforts. One of the ways an organisation can accomplish their external goal is through supplier diversity programmes that support minority ethnic businesses with which they do business. In addition, supplier diversity can lead to promoting innovation, and connecting with customers.

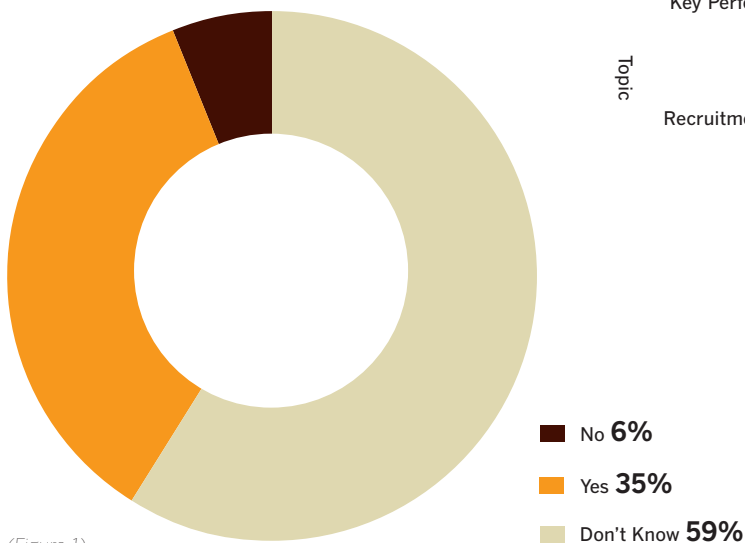
One of Race for Opportunity's core activities is an annual benchmarking exercise where its member organisations are invited to participate to evaluate and measure their progress in the area of supplier diversity, as well as the other key areas of activity. The results of the 2005 benchmarking exercise, in which 113 UK organisations participated, revealed that 58% of network organisations have a supplier diversity policy.

From the companies surveyed, 35% of organisations were able to confirm that minority ethnic businesses had been awarded a contract during the last three years. The estimated value of these awarded contracts was calculated at over £240 million. Unfortunately another 59% of the network organisations were unable to confirm whether their contracts had gone to minority ethnic businesses. (See figure 1)

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RfO 2005 Survey results

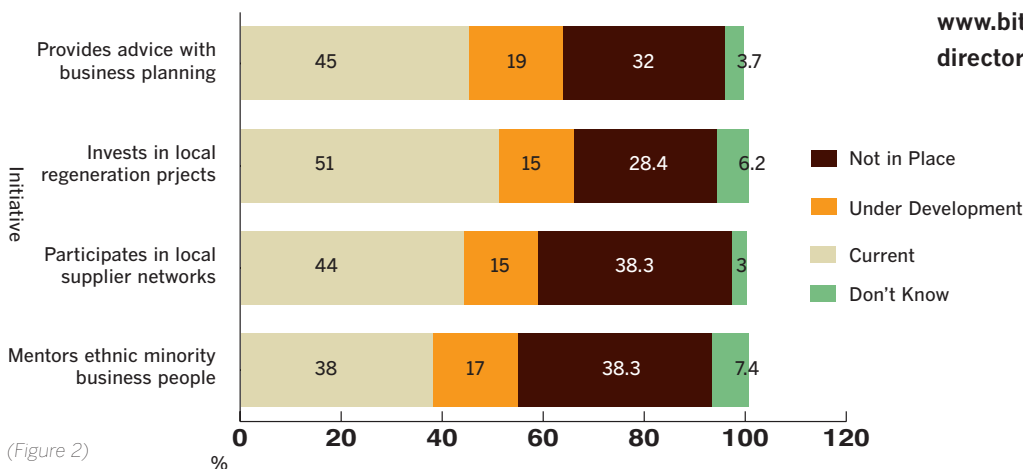
Contracts Awarded to Ethnic Minority Businesses (during last 3 years)



(Figure 1)

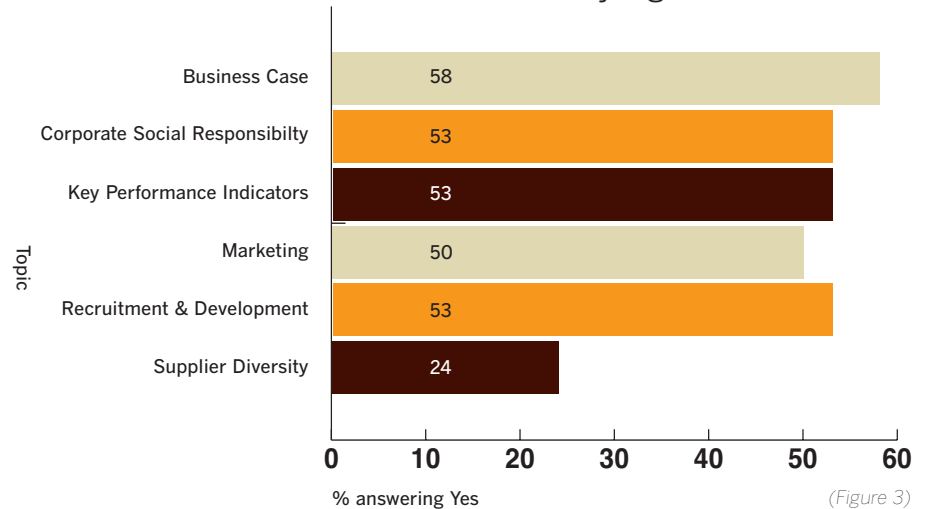
One of the key trends emerging from this survey is that businesses are keen to invest in local generation projects and give advice with business planning. However, taking that one step further and actually awarding work to minority ethnic businesses still remains a challenge (see figure 2).

Does your organisation invest in initiatives that support the development of Ethnic Minority Businesses



(Figure 2)

Priority Topics on Global Diversity Agendas



(Figure 3)

Race for Opportunity also conducted a pilot global benchmark survey in 2005 to get a sense of how many of its member organisations operate on a global basis. The intention was to set a foundation for defining what truly represents best practice in race diversity and inclusion for global/multinational organisations. It was interesting to note, that even on a global level, supplier diversity was low on company agendas when compared to other diversity initiatives. (See figure 3)

RfO is about to conclude its 2006 benchmarking exercise - the results will be published in June 2006.

For further information on the Race for Opportunity campaign. Please visit: www.bitc.org.uk/programmes/programme_directory/race_for_opportunity/

