

## The Evolution of Supplier Diversity

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February 2004

Supplier diversity has evolved over the last forty years in several major ways. The chart below provides a summary of some of the key milestones. The chart also provides some projections for the next decade.

### Supplier Diversity Evolution

| <b>Time Frame</b> | <b>Program Status</b>  | <b>Focus Areas</b>   |
|-------------------|--|--|
| 1950's            | 8(a) Program Started   | Socioeconomic Requirement  |
| 1960's            | Early Minority Business Programs Started   | Socioeconomic and Contract Compliance Requirements   |
| 1970's            | Expansion of MBE Contracting Programs  | Socioeconomic and Contract Compliance Requirements   |
| 1980's            | Mainstreaming of MBE Programs in Corporate America and in Government Agencies                                  | Contract Compliance Requirements<br>Building the M/WBE Business Case   |
| 1990's            | Expansion of Supplier Diversity Programs to Include Women, Veterans, and Historically Underutilized Businesses | Tier 2 Programs<br>World-Class Suppliers<br>M/WBE Program Support to Marketing Dept.   |
| 2000's            | M/WBE Strategic Supplier Development   | M/WBE Mentoring<br>M/WBE Program Support to Marketing Dept.<br>Non-Profit Organizations Start M/WBE Programs   |
| 2010's            | Global Supplier Diversity (International M/WBE Programs)   | World-Class M/WBE Suppliers<br>Mainstream M/WBE Mentoring Programs<br>Widespread Use of M/WBE Virtual Trade Fairs<br>Tighter Integration Between Supplier Diversity and Purchasing Functions |
| 2020's            | Expanded Diversity Categories  | Global M/WBE Programs<br>Mainstream M/WBE Program and Marketing Department Partnerships  |

In the future, U.S.-based companies will continue to expand their supplier diversity programs to other countries where they do business or have key supplier relations. Examples of such countries are the United Kingdom, India, China, South Africa, South Korea, Brazil, and Japan. This will probably start with the automotive and electronic industries. M/WBE mentoring programs will be a part of the technical and business know-how that gets exported to expanding supplier diversity program across the globe.

In the future, supplier diversity programs will be required to make quantum leaps to keep pace with quickly evolving mainstream & micro-markets. Supplier diversity managers will need to master new skills and also be involved in the company's strategic planning process so they can have the greatest impact on preparing for change.

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