

Serious About

By Barbara Wichmann

SUSTAINABILITY

Sustainability, Diversity and Suppliers: Closing the Gaps.

When we talk about sustainability, we tend to think immediately of environmental protection, or “going green.” But sustainability also speaks to economics—to shoring up a long-term future for our businesses. The business case for becoming more sustainable is a real driver, and supplier diversity is an intrinsic part of that effort.

What does supplier diversity have to do with sustainability? In terms of economic sustainability, a great deal. Minority businesses and small businesses tend to be entrepreneurial and agile out of necessity; they are used to thinking creatively and working collaboratively to get things done, and they often work with less to do more—the very essence of sustainability.

At the moment, however, there is a lack of transparency from corporations about supplier diversity data. The release of workforce diversity data by some of the major players in Silicon Valley made a big splash this summer. It surprised no one that their workforces skewed toward young, white, Asian, and male employees; instead, the ‘wow’ factor was that the statistics were confirmed as fact.

At **Google**, for instance, 91 percent of the workforce is white or Asian; just three percent of all employees are Hispanic, and two percent are of African American descent. In terms of gender inequality, 37 percent of employees at **Yahoo!** are women, but only 15 percent of tech jobs are held by women.

The first step is admitting you have a problem, as the saying goes, and with the release of these figures came a vocal commitment from every tech company (including **LinkedIn**, **Twitter**, and **Facebook**, to name a few) to work to implement change in the coming years and build more diverse workforces.

But the figures only told part of the story. The diversity data released could itself have been more inclusive. While I applaud the companies for publishing the information they did, where, for example, was data

on age? And more importantly, where was the data on supplier diversity? This is a huge oversight that needs to be addressed for minority businesses to gain a place at the corporate table.

The tech giants must recognize the importance of building supplier diversity objectives into their sustainability plans for progress to be made. And one way to do this is to close the gap in corporate thinking between supplier diversity and sustainability by bringing economics into the conversation.

It’s time to reframe the supplier diversity conversation and move away from language that can sometimes confine us—for example, the word ‘minority’ can understate our collective power. Like Silicon Valley, minority businesses have some pretty impressive growth figures to which they can point, not the least of which is population growth.

According to 2012 data from the U.S. Census Bureau, one in three U.S. residents will be Hispanic by 2060, up from one in six today. The African American population is also set to grow to 14.7 percent from 13.1 percent today. Minority-owned businesses can connect corporations with an increasingly diverse population, and therefore an increasingly diverse customer base.

In business terms, according to the **U.S. Department of Commerce’s Minority Business Development Agency**, minority business enterprises account for \$1 trillion in revenues and 5.8 million jobs in the United States. Moreover, these businesses are twice as likely to export goods and services than non-minority businesses, and are called “uniquely equipped” to do so. In 2007, minority business enterprises were more likely to have operations established abroad in 14 of 19 industry sectors compared to non-minority firms.

As minority-owned businesses, we know there is

creativity in diversity. But I believe that there is also a significant opportunity to make use of the tools Silicon Valley has created to restart the dialogue. For example, Twitter could actually be a very useful tool for minority businesses to:

- Keep the conversation going and visible;

- Connect with community, clients, and potential customers;
- Share information and support each other;
- Establish and enable a transparent dialogue with corporations including virtual matchmaker events;
- Bring the need for, and the benefits of, supplier diversity to a wider

audience.

Like in the early days of sustainability, supplier diversity might feel like an unwelcome added pressure for many companies, or a gray area that needs to be checked off the list. Collectively, minority businesses have the power to connect the dots for corporations, proving the enormous business advantage that strategic supplier diversity planning represents. ♦

For further information, check the following sites:

Minority Business Development Agency—www.mbda.gov

U.S. Census Bureau—www.census.gov/newsroom

EY: “Six Growing Trends in Corporate Sustainability”—bit.ly/1mv4fNv

SFGate: “Pinterest Ahead of Other Tech Firms in Hiring Women”—bit.ly/1uHKniv

Slate: “When it Comes to Diversity in Tech, Companies Find Safety in Numbers”—slate.me/1IVxhrJ



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