



Supplier Diversity Economic Impact

Aylin Basom – CEO at Supplier.io





Market Leading SaaS Supplier diversity and ESG data & management solutions

50%

of the Fortune 100 use Supplier.io

7 million

Supplier insights with over 5 million diversity certifications and sustainability ratings

850+

Companies use Supplier.io

62%

of the Billion Dollar Roundtable use Supplier.io

20+

Years of delivering exceptional service (CVM Solutions & Supplier.io)

\$35B+

Annual Tier 1 spend supported



Agenda

- Industry update
- Economic Impact Methodology
- DFW MSDC Economic Impact results



Supplier diversity is more important than ever



More business critical



Increased scrutiny



Growing regulations

2024 top 10 priorities for procurement

- 1 IMPROVE SPEND COST REDUCTION**

Reducing the cost of supplier spend remains a core priority. While the top three priorities remain the same for 2024, the criticality has shifted with spend cost reduction featuring as the primary objective for procurement organizations in 2024.
- 2 ENSURE SUPPLY CONTINUITY**

Supply continuity has moved in second position after two years in the top position. Supply issues remain top of mind for many teams due to ongoing geo-political disruption. Reducing supply disruption is critical to protect revenue and profitability.
- 3 COMBAT INFLATIONARY PRICE INCREASES**

Although rates of inflation have stabilized, and eased in some cases, the economic outlook remains uncertain. As a result, combatting inflationary price increases, high on the priority list. Teams need to use the capabilities developed in this area to manage price inflation closely with suppliers in 2024.
- 4 ACT AS A STRATEGIC ADVISOR TO THE BUSINESS**

Expectations of procurement teams have been increasing as business stakeholders seek support on areas such as supply risk management, digital transformation, and corporate environmental, social and governance (ESG) objectives. Having a "seat at the table" is a key enabler of effectiveness.
- 5 TRANSFORM THE OPERATING MODEL**

Transforming the operating model (e.g., process, technology, people) is a new entrant into the top 10 priorities for 2024. As teams consider factors, such as the need to simplify, increasing business expectations and potential generative AI impacts, the operating model should adapt to meet evolving requirements.
- 6 PURSUE PROCUREMENT DIGITAL TRANSFORMATION AND MODERNIZE LANDSCAPE**

Digital transformation continues to be an essential enabler of procurement organizations' ability to do more with less through better intelligence and increased speed, customer-centricity and competitive advantage.
- 7 STRENGTHEN THIRD-PARTY RISK MANAGEMENT VISIBILITY AND CAPABILITY**

The focus on third-party risk management remains as procurement teams have struggled to have sufficient visibility to risk and capability to react quickly to the rapidly changing business environment over recent years.
- 8 IMPROVE ANALYTICS' AND INSIGHTS' CAPABILITIES**

Procurement recognizes that success requires a data and insight-driven approach. A critical enabler is providing reliable and forward-looking data and intelligence to end users, including capabilities such as modeling and projecting the impact of inflation.
- 9 EMBED SUSTAINABILITY (E.G., ENVIRONMENT)**

The expectations and demands of procurement's stakeholders (e.g., employees, customers, governments) regarding supplier sustainability (e.g., environment) has maintained this priority in procurement's top 10 priorities for 2024, up one position from 2023.
- 10 IMPROVE PROCUREMENT AGILITY (I.E., ADAPT QUICKLY)**

Becoming an agile enterprise is increasingly important for businesses, but it requires developing agile behavior at the process level. Being able to pivot to support new stakeholder requirements is critical to effectively support business objectives and stakeholder satisfaction levels.

Q. Please select your organization's top 10 procurement objectives for 2024. (Select up to 10.)

Q. Please rate the importance of the top 10 procurement objectives for 2024.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Business Growth through Supplier diversity

By 2045 more than ½ of the US population is expected to be “diverse”

Source: US Census

66% of consumers are willing to pay a premium for products and services from companies committed to social and environmental responsibility, including diversity and inclusion.

Source: The Nielsen Global Corporate Sustainability Report

Diverse suppliers have an annual retention rate that is 20% higher, on average, than non-diverse suppliers.

Source: Bain and Company Report

Leaders are asking for more accountability

72%

have **clearly defined** supplier diversity goals (up from 68% last year)

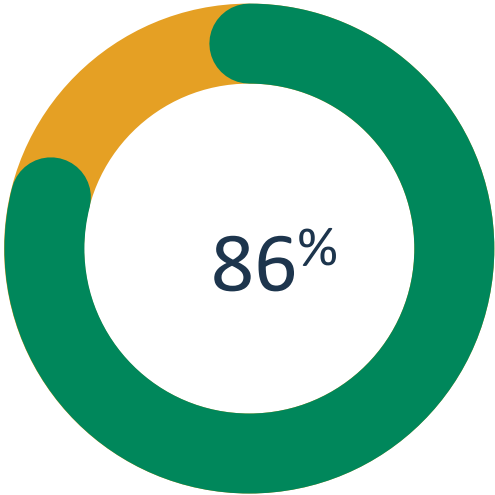
67%

Create annual supplier diversity plan

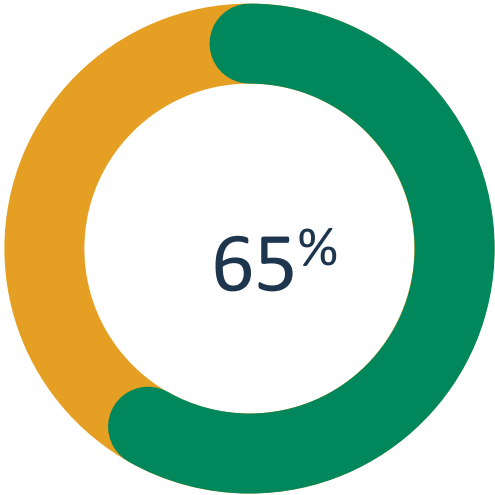
48%

Include supplier diversity **metrics** in management's performance objective (up from 36% last year)

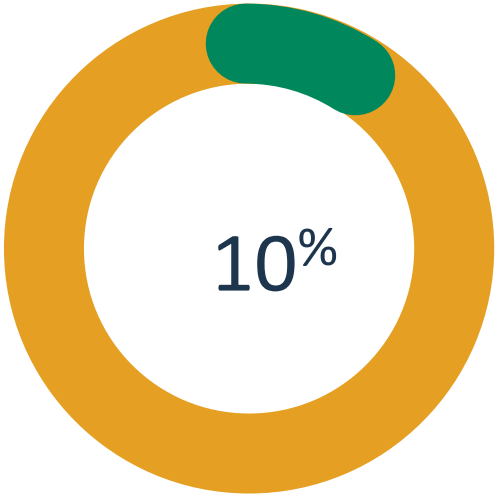
Many track spend, leaders track impact too



Spend with diverse supplier

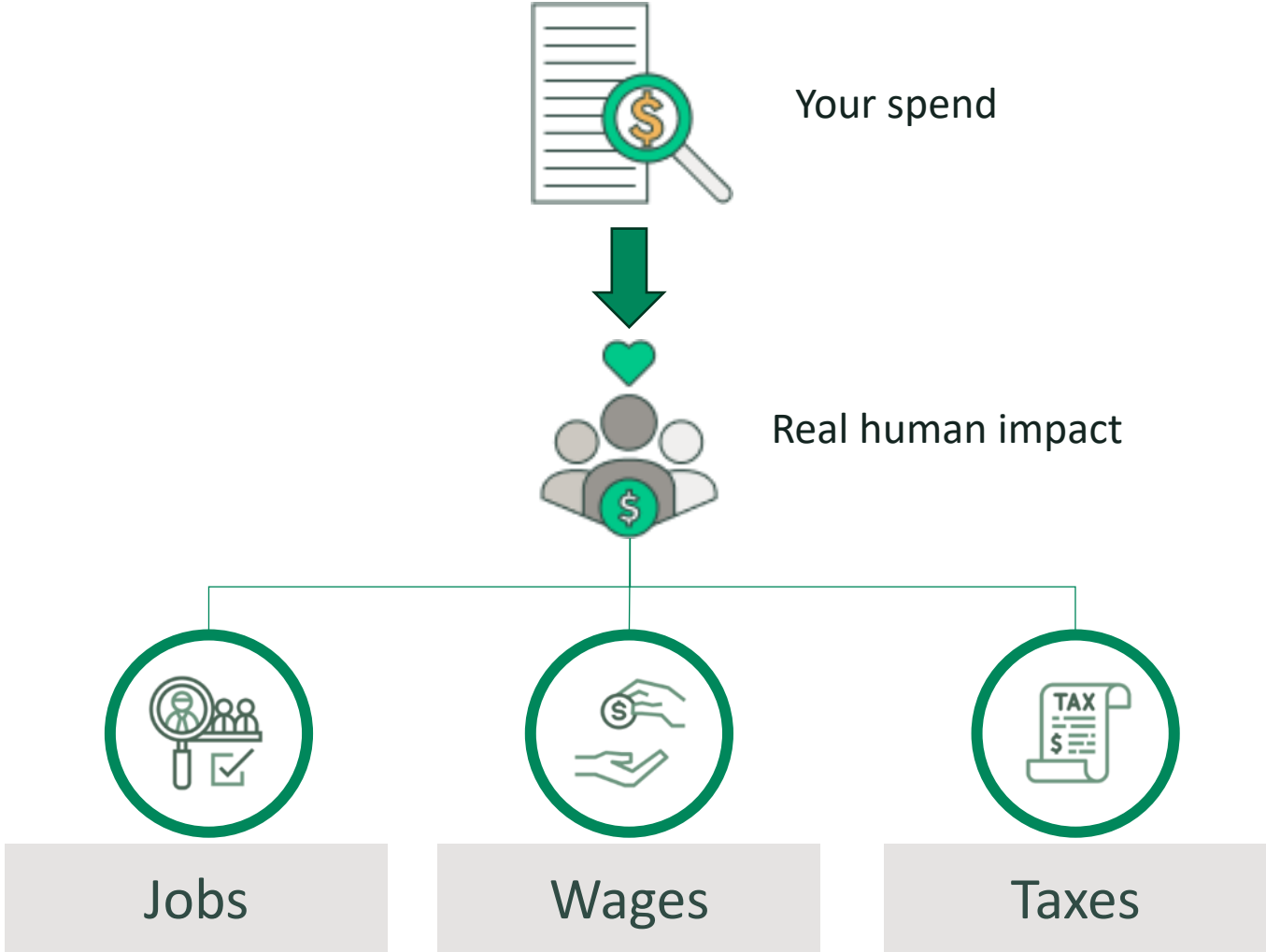


Report results publicly



Measure economic impact

Economic impact: More meaningful metrics



Economic benefit cascades

Purchases from MBE's

Corporate members purchases from our MBEs trigger a ripple effect through its supply chain.

Direct Impact

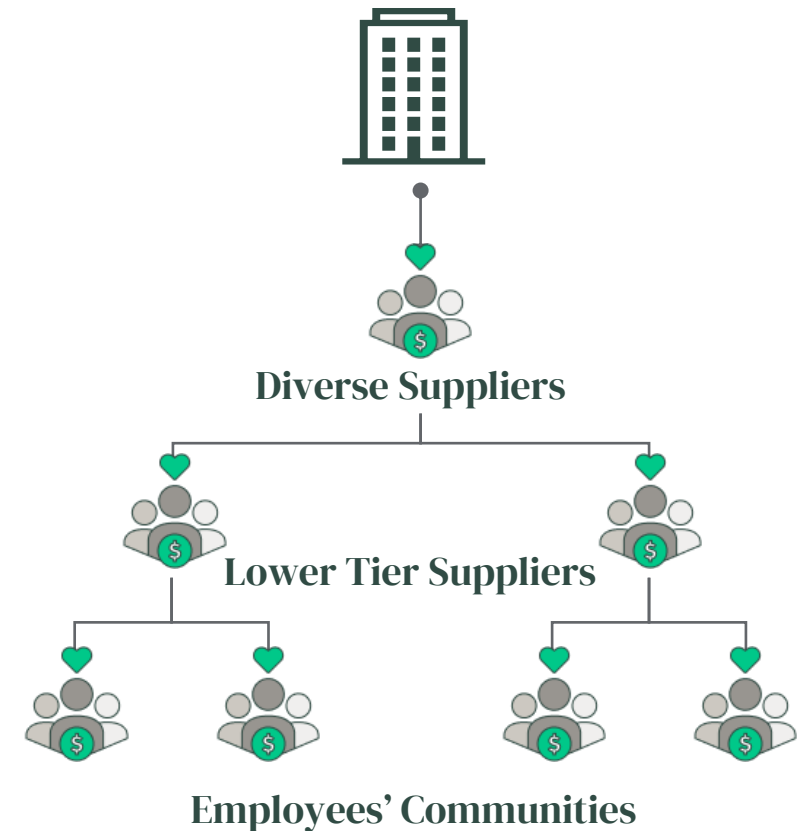
These purchases create a direct impact at these DFW MSDC Certified MBEs who employ people and other suppliers to support their sales to our corporate members.

Indirect Impact

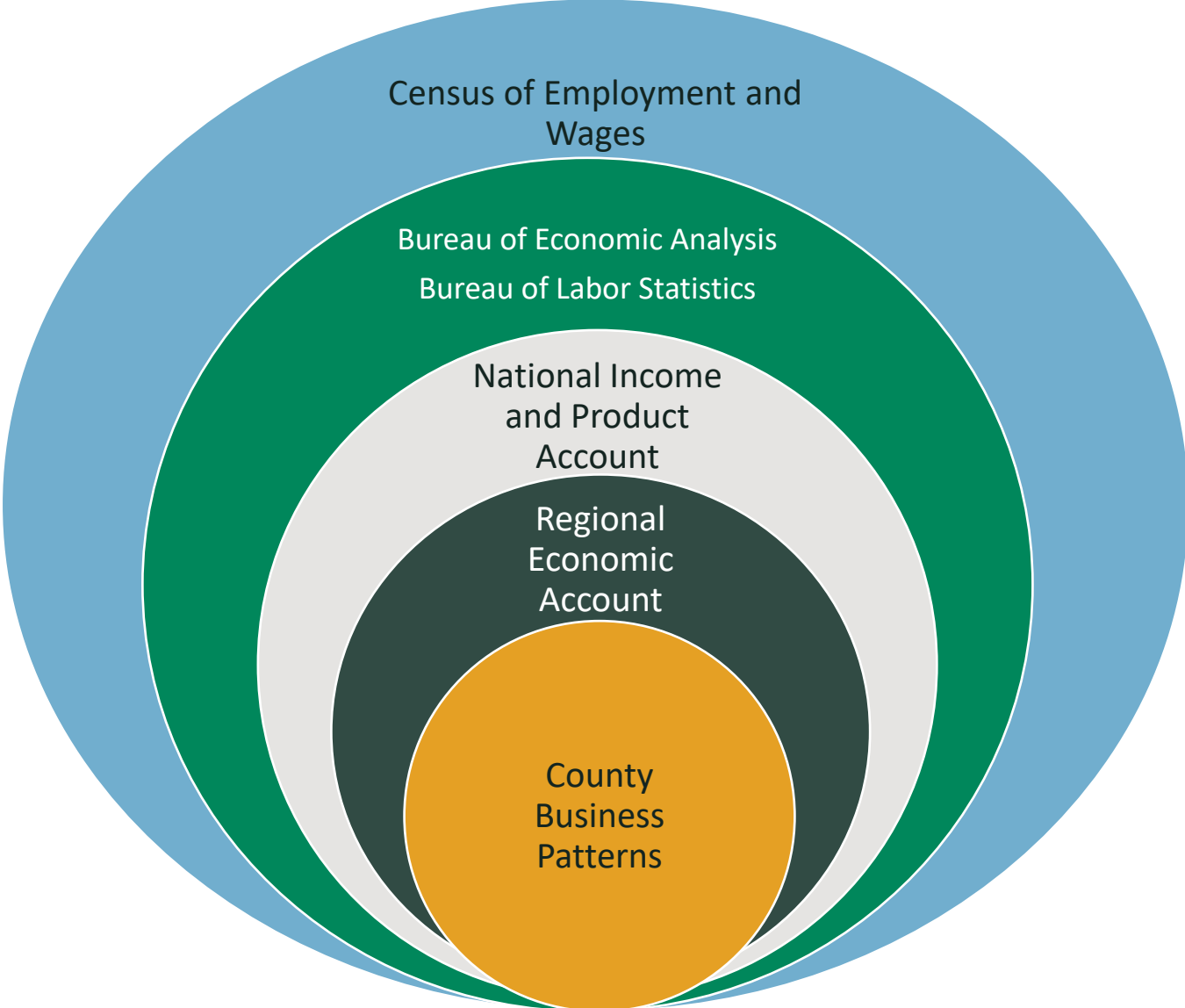
Our DFW MSDC Certified MBEs also purchase goods and services from other suppliers which creates jobs in their supply chains.

Induced Impact

Employees at these jobs support additional jobs in their communities through purchases of everyday goods and services.



**Built on
multiple trusted
data sources at
many levels**



DFW MSDC Economic Impact Results

2023

DFW MSDC Certified MBEs



Total Economic Impact

Total Economic Impact



Economic Activity

\$18.9B



Total Jobs Supported in the US

101K Jobs



Total Wages Earned

\$7.3B



Total Jobs at DFW MSDC certified MBEs

52K Jobs

Number of certified MBEs
1,129

Certified MBEs Revenues
\$9.5B



Economic benefit cascades

Purchases from MBE's

Corporate members purchases from our MBEs trigger a ripple effect through its supply chain.

Direct Impact

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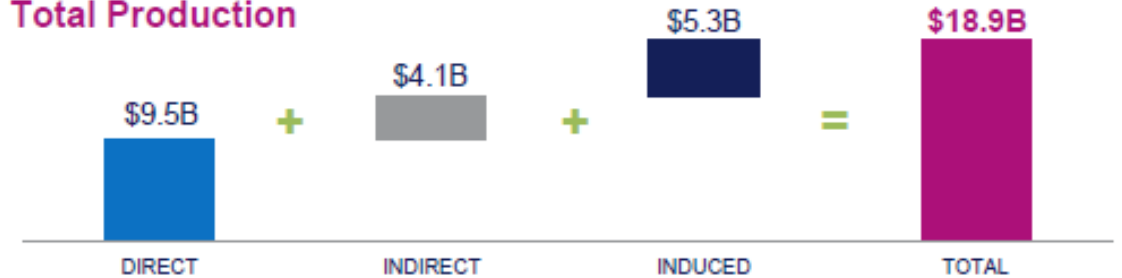
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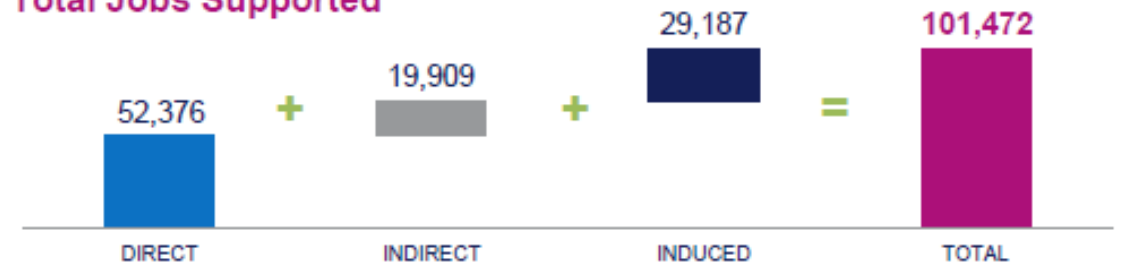
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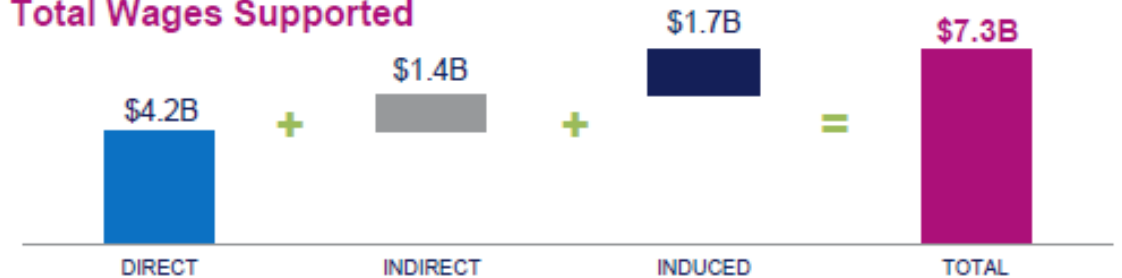
Total Production



Total Jobs Supported



Total Wages Supported



Total Economic Impact 2021 to 2023

2021



Economic Activity

\$14.5B



Total Jobs Supported in the US

83K Jobs



Total Wages Earned

\$5.1B



Total Jobs at DFW MSDC certified MBEs

35.2K Jobs

2023



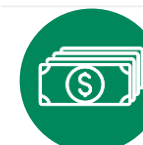
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Thank You

Visit us at supplier.io for more information.

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