



This Activities Report serves as a record of the Forum's activities in 2005. A programme of work was defined as part of the original project plan adopted in November 2004. Activities are planned and undertaken through working groups and national steering groups, which are comprised of the members and meet monthly by telephone. Three full-membership Workshops were held in 2005 to discuss the activities of the working groups, share information amongst members and make decisions regarding the future plans of the Forum.

This Report is divided into sections, which include an introduction as well as a section on each aim of the Forum and report on work completed and work in progress which relates to each of these aims:

### **1 Introduction**

### **2 Create Supplier Diversity programmes internally**

Work Completed

Work in Progress

### **3 Build relationships with diverse suppliers**

Work Completed

Work in Progress

### **4 Inform and work with external stakeholders**

Work Completed

Work in Progress

### **5 Concluding remarks**

## Introduction

The European Supplier Diversity Business Forum (The Forum) was launched in January 2005. It is a pioneering three-year project that promotes Supplier Diversity in Europe. Supplier Diversity, for the purposes of this Forum, has been defined as a procurement initiative undertaken to ensure that under-represented businesses, including but not limited to ethnic-minority-owned, women-owned and disabled-owned companies, have equal opportunities to compete for the supply of goods and services with multinational companies.

The aim of this European programme is to develop the concept within a European context. In its first phase it focuses on five countries – the UK, Germany, Sweden, the Netherlands and France. The Programme is membership-driven and European-based and focussed.

The Forum builds on the work of the European Supplier Diversity Project, a ground-breaking two-year pilot project which ended in November 2004. The impressive results of the pilot signalled that the time was right to continue the work on Supplier Diversity in Europe and establish the Forum.

Current members include: Bristol-Myers Squibb; Cisco Systems; Citigroup; Corporate Express; Credit Suisse, Deutsche Bank; Goldman Sachs International; Hewlett Packard; IBM; Merrill Lynch; Morgan Stanley; Spring Group plc; and Weil, Gotshal and Manges. It is expected that the Forum will expand its membership significantly in 2006.

The Forum, as was its predecessor the European Supplier Diversity Project, is facilitated by MPG (Migration Policy Group), which houses the project and manages all aspects of it. MPG facilitates the workshops and manages the implementation of the programme. MPG is a Brussels-based 'think and do' tank on diversity, anti-discrimination and migration issues. MPG has carried out a range of work and has good relations with the European Commission and other agencies across Europe. It aims to facilitate exchange between stakeholders from all sectors of society, with the aim of contributing to innovative and effective responses to the challenges posed by migration and diversity.

During the full-membership workshops, which took place in March, June and November 2005 respectively, members refined the activities of the Forum. The following is an account of the Forum's activities, which has been organised under the three main aims of the Forum.

# 2

## Create Supplier Diversity programmes internally

The first main aim of the Forum is to build European initiatives amongst the Forum's members from within their companies.

To do this, Forum Members planned to: (1) increase understanding within the membership of the cultural environment of those European countries in which the Forum conducts pilots and of Europe as a whole; (2) construct the business case for doing so; (3) build the capacity of Forum members to deliver Supplier Diversity programmes in Europe and (4) enable members to measure their programmes against a best practice benchmark.

### Work completed in 2005

#### Internal Capacity-Building

A project framework tool-kit has been developed to identify the elements needed to build a Supplier Diversity programme. This work was directed by the Euro-class programme working group.

A Current Members Pack has been produced to help new members get started. Materials include: members' internal briefing papers, presentations on the business case, supplier questionnaires from companies and documentation on training for buying teams.

The majority of members have issued a supplier questionnaire to their existing suppliers in order to get a sense of how many under-represented suppliers they currently work with and to measure their progress.

#### Increasing Understanding of Europe

Research on demographic changes and the make-up of under-represented businesses in Europe has been conducted.

EU legislative developments have been tracked and a briefing report has been produced and posted on the Forum's website.

#### Constructing the Business Case

A public presentation on the business case has been developed which includes relevant data.

Companies have identified their spending across Europe/UK, with identified categories where possible.

### Work in progress

#### Internal Capacity-Building

Forum members will now work on their agreed priorities within the project framework tool-kit. MPG will be available to advise/support members as they work on their agreed priorities. In addition, information exchange will also be encouraged so that companies can benefit from each other's experience.

#### Understanding Europe

MPG will produce the next briefing on EU legislation for the next workshop to feed the business case.

MPG will provide up-to-date research on demographic changes in Europe and on under-represented businesses to Forum members.

#### Constructing the Business Case

Development of case studies and anecdotal evidence for the business case.

Development of an 'elevator pitch' which companies can use internally.

#### Benchmarking

The project framework tool-kit will be used as the benchmark of good practice as companies begin to use it.

The Forum will develop the model of best practice in Supplier Diversity to reflect the European context.

The Forum will work with other groups which are already developing benchmarking in this area.

# 3

## Build and maintain relationships with diverse suppliers

The Forum's second overall aim is to create relationships with potential diverse suppliers. To do this, the Forum needs to: (1) provide a reference point on suppliers in Europe through the Forum's website; (2) lay the foundations for a database of potential suppliers and intermediary organisations to include self-registration of diverse supplier companies; (3) conduct pilots in five European countries initially including the UK, Germany, Sweden, the Netherlands and France to include a series of round-table dialogues with potential suppliers and/or intermediary organisations in the above five countries.

### Work completed in 2005

#### Website

The Communications Working Group was established to organize the work on this.

- ▶ The website is now live and has public and members-only sections: europeansupplierdiversity.com
- ▶ The Forum is populating the website with information such as the recruitment pack, press coverage and publicity, and in the members-only section, documents shared amongst Forum members.
- ▶ The database of potential suppliers will be housed on this website in the members-only section. There will be a self-registration form (see below) which will be housed on the public section of the website.

#### Database of Potential Suppliers in the UK

An Information (and initially Relationship) Management Working group was created to oversee the work on this.

The Forum is in the process of collecting and recording the details of the existing diverse suppliers (with their permission of course!). A letter to existing under represented suppliers has been drafted with a document to explain the project.

A business categories document to feed into the self registration form and a draft of the self registration form itself has been completed and members are preparing to put it on the Forum website.

### Work in progress

#### Establishing Relationships with Intermediaries

An Intermediaries Working Group was set up to undertake this work.

The Forum has mapped out a number of intermediary organizations and government agencies who are appropriate contacts for the Forum.

The Supplier Relations Working Group, which has now replaced the intermediaries working group, has been set up to oversee the continuation of this work in 2006.

The Forum has also held a preliminary meeting of the German Steering Group in Frankfurt which involved Forum members.

#### Website

The Forum will be adding information to the Website on a continuous basis. This will be managed by the Communications Working Group.

#### Database

The Information Management Working Group will continue to manage the work on this.

The architecture for the database will be developed and the database will be up and running in early/mid 2006.

Information on potential suppliers will be managed through a database to be housed on the Forum website.

#### Establishing Relationships with Intermediaries, Government Agencies, and Potential Suppliers

The Forum is developing relations with government agencies and intermediaries in the UK, particularly in London.

The Forum will conduct face-to-face meetings with intermediaries/potential suppliers. 'Meet the Buyer' meetings and procurement processes information sessions to be considered for 2006.

The Forum is developing information targeted at SME communities.

Pilots in France, Germany and the Netherlands are set to begin in 2006.

- ▶ Meetings (of members, other companies and/or high ranking experts) to be organised in France and Germany to launch pilots in 2006.
- ▶ A meeting in Berlin is being scheduled to draw attention to the topic area in Germany.

# 4

## Inform and work with external stakeholders

The Forum's third overall aim is to inform and garner support from key audiences and external stakeholders. To do this, the Forum needs to: (1) raise awareness and build support for Supplier Diversity amongst Governments at the national and European levels and recommend public policy options to push the Supplier Diversity agenda forward; and (2) build and execute a communications strategy to encourage other companies to build and execute their Supplier Diversity programmes.

### Work completed in 2005

#### Awareness-Raising

The Forum has established a Communications Working Group to drive this work. It has drafted a communications strategy for the Forum.

The Forum has had two articles published in the European Leaders in Procurement magazine, one of which is a feature article.

Members have presented the Forum at the European Leaders in Procurement conference.

#### Encouragement of Other Companies to Build Supplier Diversity Programmes

The Forum has produced a recruitment pack available in hard copy and on the Forum's website.

Members organised a meeting in the UK of Prime Contractors to spread the message through the supply chain and also to raise interest in Forum membership.

A position paper which outlines each members' commitment to Supplier Diversity listed on the website.

The Forum recruited three new companies in 2005.

### Work in progress

#### Raise Awareness in Government Circles and Make Public Policy Recommendations

MPG will work on devising a press strategy and use its own resources to place some articles/features in relevant media and also trade press in order to begin to build up the profile of the Forum.

- ▶ This will be directed from the Communications Working Group.
- ▶ The Forum will develop a diary of public events for 2006.

The Forum will be developing relationships with national and EU Governments.

#### Encourage Other Companies to Build Supplier Diversity Programmes

Forum Members will develop a recruitment strategy for 2006/2007 to be led by the Board. The Forum will be engaging in a selective recruitment process and will be prioritising European multinationals to join the Forum.

Work with prime contractors is also being prioritised to push the programmes down the supply chain and to attract more companies to join the project.

- ▶ Another set of meetings will be arranged with prime contractors early in 2006.
- ▶ The Supplier Relations and Communications Working Groups will be jointly responsible for these events.

## Concluding remarks

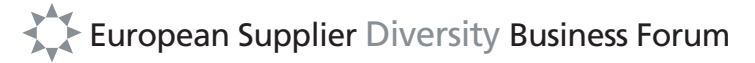
Much progress has been made towards reaching the three main aims of the Forum during 2005.

The Forum has made excellent progress in developing internal programmes through devising and helping to implement a project toolkit. MPG has undertaken ground-breaking research on demographics on the Forum's behalf to boost an understanding of the socio-economic dynamics in Europe within companies and a strong business case is being built backed up by quantitative research and case studies.

The Forum is building relationships with potential suppliers through its work with primary contractors and through its website, which has been launched and will house the database which is currently under construction. It is also establishing strong links with intermediary organisations to help communicate with potential suppliers and plan events with potential suppliers.

In terms of informing and working with external stakeholders, the Forum has made great strides in raising awareness with governments, opinion leaders and other companies through authoring features and news articles and by speaking at procurement and diversity events.

Overall, the European Supplier Diversity Business Forum has established a solid foundation in each of the three programme areas, and has laid the groundwork for the challenging work programme of 2006/2007.



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