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**TECH DIVERSITY BEST PRACTICES REPORT**

**JUNE 24, 2019**

 **THE DIVERSITY IN TECH WORKING GROUP**

**OF THE**

**FEDERAL COMMUNICATIONS COMMISSION’S**

**ADVISORY COMMITTEE ON DIVERSITY AND DIGITAL EMPOWERMENT**

**Federal Communications Commission**

**Advisory Committee on Diversity and Digital Empowerment**

**June 24, 2019**

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**EXECUTIVE SUMMARY**

 On September 25, 2017, Federal Communications Commission Chairman Ajit Pai launched the Advisory Committee on Diversity and Digital Empowerment (ACDDE or Committee). The Committee’s objective was to provide an effective means for stakeholders within the digital ecosystem to exchange ideas and develop recommendations to the Commission on media ownership and procurement opportunities, empowering communities to spur educational, economic, and civic development, and consumer access to digital technologies. As part of this effort, Chairman Pai established the Diversity in Tech Working Group (Working Group or WG).

 Chairman Pai charged the Working Group, which is comprised of industry experts from top tech companies, advocacy and civil rights organizations, to explore the issue of diversity within the tech industry and, where appropriate, provide the Committee with recommendations for how to address concerns regarding the implementation and improvement of diversity and inclusion policies and practices in the tech industry. Diversity in the tech industry is important given the varied ways in which technologies play a crucial role in every aspect of our society. Technologies like the Internet, smart phones and artificial intelligence are instrumental in our daily lives. Furthermore, the tech industry has emerged as one of the largest and fastest growing sectors of the US economy in terms of employment, GDP and wealth creation. Therefore, not only is a diverse tech industry necessary to ensure that the goods and services provided by this industry are inclusive of all Americans, but this focus also ensures that all Americans participate in the many opportunities created by the tech industry. Such a commitment is beneficial both to consumers, who will enjoy a broader range of products, services, employment and business opportunities; and to companies, which will see a corresponding improvement in their bottom lines.

 In undertaking this endeavor, the Working Group determined that it would focus its efforts towards gaining first-hand data and information from certain tech companies that were representative of the overall industry. Particularly, the WG sought in-depth information regarding the roles tech firms are playing in the area of diversity and inclusion, the successes and challenges they face in addressing diversity issues, and the tools and information these firms believed would be helpful to them and the industry at large to be more effective in creating a diverse and inclusive tech industry.

 The WG chose this approach for several reasons—the first being that the tech companies are where the commercial and employment activity is taking place in the overall economy. While the WG reviewed numerous diversity reports made available by industry representatives and the Equal Employment Opportunity Commission, the WG believed that these reports were telling just a portion of the story.[[1]](#footnote-1) Although diversity within and amongst tech companies is a serious problem, existing reports are not necessarily informative on how we got to this point. They do not provide insight on what approaches were taken to address diversity, promotion and training issues and why those approaches are or are not working. Therefore, the WG believed that it could not possibly obtain the most reliable data and information without directly consulting the tech companies themselves.

 Second, and equally important, the WG understood that the tech companies themselves have rarely been engaged for their input in identifying the root causes of the lack of diversity or viable solutions. And while these companies have begun to recognize the importance of diversity, they have had trouble incorporating diversity as a core value and reflecting diversity within their workforces.

 Further, the WG viewed the process of engaging directly with the tech firms as an important addition to its work because of the unique cultural environment of these companies. Tech companies tend to be younger companies which view themselves as dynamic and disruptive in nature and have a strong entrepreneurship and independent ethos. The Working Group determined that, to maximize the utility and reception of any recommendations it might provide, it would be critical to include tech companies in the process. Doing so breaks down perceived barriers and engenders understanding and respect of a unique, dynamic workplace culture. Further, this approach provides a level of industry accountability by informing members of the tech industry of practices that their peers have found successful or unsuccessful, and, hopefully, allowing younger companies to short-circuit the natural growing pains a company might experience. Lastly, the WG believed that adopting this approach would create more “buy-in” from the tech industry.

 This report also builds upon the *2004 Workplace Diversity Report* that was conducted by the FCC’s predecessor Diversity Advisory Committee. This current report recognizes the similarities in the growing telecommunications industry of 2004 and today’s tech industry. Hence, the WG believed that the 2004 report provided a strong foundation for its work and its eventual report. Diversity in the telecommunications sector has seen tremendous improvements over the past decade, so it makes sense for the WG to include those time-tested D&I practices that can be utilized by the tech industry.

 The WG intends that this diversity best practices report provide guidance to tech companies at all stages of growth, as well as other entities focused on increasing diversity in the tech arena. It focuses on taking a pragmatic and systematic approach to diversity and inclusion and attempts to go beyond “the numbers.” More than anything, the Working Group’s tech diversity best practices report highlights the importance of inclusion in the workplace and creating a corporate culture that makes diversity integral to its business model. By doing so, diversity and inclusion will not be reliant only upon the good will of individuals in leadership but, instead, be a fundamental and perpetual source of energy and enthusiasm that drives company success. The following discussion synthesizes the qualitative interview process in which the Working Group engaged with the roundtable tech companies. It offers several pragmatic recommendations for best practices that tech companies may use to further develop D&I efforts.

 The first section of the report details the qualitative interview process undertaken through the series of roundtable interviews and distills findings into five key categories of commonality that were discerned from the roundtable interviews: (1) Maturity of Company and its D&I Initiatives; (2) Managing D&I: The Organizational Approach to D&I; (3) D&I Accountability: Data Collection, Tracking, Measurement, and Reporting, (4) Achieving Workforce D&I: Recruitment and Hiring Outreach, and Pipeline Development; and (5) Most Common D&I Challenges.

 The second section of the report presents a robust supplier diversity discussion and a set of findings also distilled from the roundtable interviews. Both sections present anonymized data points and conclude with recommendations. Finally, to view the other side of the D&I issues, the appendix of the report, *Tech Resources Guide for Job Seekers and Entrepreneurs* is a guide compiled for the prospective tech applicant or prospective tech entrepreneur/vendor to enter or engage with the tech industry or as appropriate, to refine current approaches.

# **KEY FINDINGS**

The roundtable interviews the Diversity in Tech Working Group conducted with several well-known tech companies resulted in several key findings regarding overall tech diversity patterns and practices, as well as findings pertaining to the procurement of goods and services from small, minority and women-owned entrepreneurs. These key findings are set forth briefly here and discussed more fully in the report.

* **As tech companies mature and evolve, so do their investments in, and approaches to D&I, marked by Early Growth, Growth, and Mature stages of D&I efforts**
* **When tech companies build D&I into their internal infrastructures and initiatives, their efforts create greater accountability and strengthen their cultural transformation and public image, over time**
* **When tech companies use a portfolio of tools to collect, measure, analyze, and share their D&I data internally and publicly, they provide a transparent assessment of their progress towards their diversity goals**
* **Establish strategic partnerships with organizations and universities. Utilize the expertise of employee resource groups to strengthen tech companies’ capacity to attract and retain diverse talent and cultivate a pipeline for future talent**
* **Despite tech companies’ commitment and efforts to incorporate D&I into their corporate DNA and workforce, they face challenges that can limit their progress and reduce their productivity and profitability**
* **Supplier diversity expenditures can be neither too large or too small**
* ***Engage small contracts as low as $200 in goods and services***
* ***Consider implementing supplier diversity in nontraditional products and services***
* **Stay informed and connected with diverse entrepreneurial networks**
* ***Frequently attend diverse events***
* ***Work to ingrain diversity throughout corporate culture***
* **Track, plan, and measure what is important to the company**
* ***Outline and measure supplier diversity program objectives, benchmarks, and goals***
* ***Develop consistent supplier diversity policies for all departments with purchasing authority***
* **Serve as a source of information**
* ***Maintain a robust Supplier Diversity Program webpage***
* ***Maintain online portals and databases for diverse suppliers***
* ***Provide resources for startups and diverse suppliers through formal or informal supplier diversity development programs***
* **Collaborate and partner with other firms and local agencies**
* ***Form partnerships with other companies to help the industry improve on supplier diversity through a supply chain diversity group of about 35 other tech companies***
* ***Collaborate with schools, nonprofits, and other institutions both to discover and to develop new talent***

# **RECOMMENDED TECH DIVERSITY BEST PRACTICES**

1. ***Incorporate D&I into the Internal Infrastructure***: Diversity starts at the top. Incorporate D&I into the internal infrastructure of the company to create accountability and strengthen brand and value in the marketplace.[[2]](#footnote-2) These efforts include:
* Establish support from the CEO and top executive team;
* Actively recruit people of color and women as members of the board of directors;
* Involve the board of directors in D&I initiatives through regular reporting;
* Appoint a Chief Diversity Officer or senior-level executive to manage D&I;
* Hold senior executives and managers accountable for D&I goals through financial incentives and performance appraisals;
* Require mandatory D&I and unconscious bias training for all employees, managers, and senior-level executives on a regular basis (monthly or quarterly);
* Create and use standards of business conduct that address D&I;
* Implement formal mentoring programs and employee resource groups;
* Implement a formal supplier diversity program to ensure the inclusion of diverse vendors; and
* Incorporate D&I into all aspects of the core business, not only with respect to staffing.
1. ***Implement an Organizational Approach to D&I at the Outset:*** Implement an organizational approach to D&I at the outset, instead of progressively incorporating D&I initiatives at various stages as a “reaction.” In the long run it will help the company avoid and/or minimize internal and external crises that could damage the company’s brand and value in the marketplace.
2. ***Establish Metrics and Accountability***: Create accountability through regular D&I data collection, tracking, and reporting. Make the information available annually to employees and the public.
3. ***Establish Strategic Partnerships***: Establish strategic partnerships with organizations and universities. Utilize the expertise of the company’s employee resource groups to enhance the company’s capacity to attract diverse talent and cultivate a pipeline for future talent.

# **Chapter 1: The Tech Diversity Roundtable Interviews**

## Background

In 2004, the Federal Communications Commission’s (FCC or Commission) previous iteration of this federal advisory committee (created under the Federal Advisory Committee Act[[3]](#footnote-3)), the Advisory Committee on Diversity for Communications in the Digital Age, (2004 Diversity Advisory Committee) issued a report, *Workplace Diversity: A Global Necessity and an Ongoing Commitment* (*2004 Workplace Diversity Report or 2004 Report*. The *2004 Workplace Diversity Report* outlined a number of steps that companies need to undertake in order to drive diversity and inclusion (D&I) such as buy-in from senior leadership, with the CEO playing “an active and visible role in enforcing diversity initiatives throughout the company”[[4]](#footnote-4) and “infusing (D&I) into all of the company’s processes to ensure diversity is integrated into the core values of the company.”[[5]](#footnote-5)

In addition, the 2004 Diversity Advisory Committee’s Subcommittee on Career Advancement recommended that diversity efforts be led and actively supported by the firm’s CEO and top executives as one of its “best of the best” practices.[[6]](#footnote-6) The subcommittee’s recommendations were included in a further report which identified what it considered the best of the best diversity practices, *Diversity: Best of the Best Practices Report* (*2004 Best Practices Diversity Report*).[[7]](#footnote-7) The Career Advancement Subcommittee recognized that diversity efforts are rarely successful unless there is a sincere commitment by top executives. The subcommittee found that “top management also must be willing to demonstrate its commitment to diversity efforts by putting its money where its mouth is; this means devoting the resources needed to actually effect desired change.”[[8]](#footnote-8)

## Today’s Tech Employment Landscape

Much has changed since 2004 and the issuance of the earlier workplace diversity report. In 2004, many of today’s most influential and highest profile tech companies did not exist as publicly traded companies, or indeed at all; or certainly did not have the share of the consumer market that they enjoy today. In 2004, most consumers – at least those with Internet access – were still experiencing the Internet through dial-up. Personal technology was the exception, not the rule.

Today, technology is ubiquitous and has transformed virtually every aspect of Americans’ lives – from how we communicate with each other, to how we consume news, pursue employment opportunities, purchase goods and services, complete academic courses and purchase health care services and medications. Additionally, the consumer base for technology and next generation devices has become increasingly diverse, across multiple dimensions including those of race and ethnic origin, gender, language, socio-economic, differing abilities, sexual orientation/gender identity, age and generational diversity, educational attainment and geographic location. Yet, the tech industry has, by its own admission, often struggled to achieve a workforce that reflects the full diversity of America and its consumers.

Against this backdrop, while commitment from the top is still a necessary component of corporate D&I, it is no longer sufficient in itself to drive long-term, sustainable change. Instead, a much more comprehensive engagement model is warranted if tech firms are to make strides in diversifying their workforces. Some D&I approaches are *proactive*, as companies recognize that diversity and inclusion is integral to driving innovation and a robust bottom line, and as their own employees and, in some cases, boards of directors, demand changes to ensure a more inclusive corporate culture. Other diversity and inclusion approaches may be *reactive*, taken in response to crisis management situations, or demands made by civic organizations, elected officials, government agencies and other interested entities dedicated to improving diverse representation and increasing opportunities for people of color and women.

## Roundtable Approach and Format

Building on the work accomplished by the several 2004 Diversity Advisory Committee reports, the Advisory Committee on Diversity and Digital Empowerment’s (ACDDE) Diversity in Tech Working Group (Working Group) decided the best way to assess the best practices of tech companies was to have Working Group members meet with representatives of tech companies’ leadership teams in a confidential, off-the-record discussions.

To achieve this goal, the Working Groupissued letters from Marc Morial, President and CEO of the National Urban League and Chair of the Diversity in Tech Working Group, inviting the heads of several tech companies to meet with members of the Working Group to discuss their D&I best practices, goals, processes and procedures. Ultimately, confidential, off-the-record interviews were held with D&I leadership[[9]](#footnote-9) from six well-known technology companies to learn the traditional and nontraditional ways they are addressing D&I. The Working Group and firm representatives agreed that the roundtable interviews would be confidential, with responses not identified by the companies’ names or its personnel. [[10]](#footnote-10)

The Diversity in Tech Working Group compiled this *2019 Tech Diversity Best Practices Report (2019 Tech Diversity Report)* to leverage the work of the 2004 Diversity Advisory Committee and serve as a tool for developing and identifying best practices for an industry sector that has been largely unregulated since its inception. The findings of the *2019 Tech Diversity Report* will support companies in the tech and related sectors as they continue to expand their current D&I commitments and efforts. These findings will also support the ACDDE in shaping its ongoing recommendations for promoting opportunities for people of color and women in tech.

The tech industry is not monolithic. Even among some of the most ubiquitous names in the space, tech companies vary widely in terms of corporate development and structure, from companies founded over 40 years ago with 30+ years of publicly-traded history to companies that have evolved from start-ups in less than a decade, to companies with a strong “founder” culture, to companies with more diffuse organizations and governance. These business models and structures, combined with factors such as corporate culture, strategic initiatives and imperatives, combine to influence how each company uniquely approaches D&I.

# **Chapter 2: The Tech D&I Profile Report**

## Five Categories of Commonality Derived from the Roundtable Interviews

Despite these differences in structure, corporate culture, and other factors noted above, several commonalities arose during the Diversity in Tech Working Group’s conversations with the tech companies. This *2019 Tech Diversity Report* presents the WG’s findings of five key categories of commonality that were discerned from the roundtable interviews:

1. Maturity of Company and its D&I Initiatives
2. Managing D&I: The Organizational Approach to D&I
3. D&I Accountability: Data Collection, Tracking, Measurement and Reporting
4. Achieving Workforce D&I: Recruitment, Hiring Outreach and Pipeline Development
5. Most Common D&I Challenges

## Category 1: Maturity of the Company’s D&I Initiatives

***As tech companies mature and evolve, so do their investments in, and approaches to D&I, marked by Early Growth, Growth, and Mature stages of D&I efforts.***

As a framing rubric, based on the interviews conducted, the maturity of a company’s D&I efforts can widely vary. Firms may be in an: (1) “*Early Growth*” phase, where D&I efforts have progressed to an organizational level but are still being built out, and where systems-level work is not yet fully articulated; (2) a “*Growth*” stage of D&I, where the company’s specific D&I strategy has been articulated at a systems level but is still evolving and cannot yet be fully measured in terms of either breadth or longevity; or (3) a “*Mature*” stage of D&I with longer-term tracking measurements available (along with a focus on sustainability). The following chart sets forth the various levels of maturity of the interviewed companies’ D&I efforts based on the criteria above.

|  |
| --- |
| **Maturity of Company’s D&I Initiatives** |
| ***Growth* and *Early Growth* Stages D&I*** 2 companies in *Early Growth* stage
* 1 company in *Growth* stage

***Mature* Stage D&I*** 3 companies in *Mature* stage
 |

### *Early Growth Stage D&I*

Based on the interviews conducted by the Diversity in Tech Working Group, firms operating in an *Early Growth* stage of D&I value diversity and autonomy but want to use an approach that does not disrupt the creative and collaborative process they have relied upon to achieve successful business metrics. These firms are still balancing “deep dives” on the engagement front with the operational autonomy that characterizes fast-growth companies. Their approach is to assemble teams to focus on D&I, and to encourage efforts to attract a diverse “pipeline” for vacancies; and to develop programs that support, mentor, and accelerate the retention and advancement of diverse employees. The *Early Growth* companies’ efforts often reflect the following:

* Company has started developing an organizational approach to diversity, however, CEO may not fully embrace diversity as his or her responsibility
* Company has an organized recruitment outreach and/or pipeline development program and partnerships with civic organizations, schools, colleges and universities
* Company tracks and/or reports race, gender, and other demographic information
* Company has established employee resource or affinity groups
* Company may or may not have a supplier diversity program
* Director or Advisory Boards may lack diversity and inclusiveness

### *Growth Stage D&I*

As tech companies evolve from “early growth” mode through “growth” and “maturity” stages of development, their D&I efforts and infrastructures often mirror these stages. The companies interviewed by the Working Group were each represented by senior leaders with significant experience in the field, spanning the spectrum from growth (including early and late-stage growth) to maturity in their approaches to D&I**.**

Firms that are in a *Growth* stage of their D&I efforts improve as they mature in their respective businesses and widen their customer bases. Often, circumstances that demand immediate action (such as response to a crisis) became a catalyst for change. *Growth* stage companies have each adopted an organizational approach to D&I, articulated from the leadership level across the organization and with defined areas for action. D&I is tied into and across more areas of operations and may be tied to business strategy. Areas such as inclusive recruiting and performance reviews are tracked and backed with more sophisticated data-based mechanisms. *Growth* stage companies track and/or report race, gender and other demographic information, as do *Early Growth* companies, but with more granularity. *Growth* companies interviewed by the Working Group had dedicated senior-level diversity leadership. While there were variances in the degrees of visibility to the business and to company leadership, *Growth* stage companies reflected enhanced connections between D&I and the business. External facing components of D&I also varied among the growth-stage companies, with some actively pursuing heightened external D&I profiles. Companies that are at a *Growth* stage of their D&I efforts are marked by the following:

* CEO has made a commitment to diversity
* Company has an established organizational approach to diversity
* Company has hired dedicated senior level staff responsible for diversity
* Company provides anti-bias and diversity training to staff
* Company has an organized recruitment outreach and/or pipeline development program and broader partnerships with civic organizations, schools, colleges and universities
* Company tracks and/or reports race, gender, and other demographic information
* Employee resources groups/affinity groups are viewed as more impactful and integrated into more processes
* Company may or may not have a supplier diversity program

### *Mature Stage D&I*

D&I programs at the mature stage have an enhanced stature both inside and outside the corporation. They reflect an organizational approach to D&I that begins with the buy-in of their Chief Executive Officer and Board of Directors. Having the company leadership prioritize diversity includes measures such as the appointment and empowerment of Chief Diversity Officers and senior-level executives with a track record of success in D&I. *Mature Stage* firms tie D&I into all areas of operations, executive decisions, and business strategies. All of these efforts lay the foundation for sustainability, and support what the Career Advancement Subcommittee found in its *2004 Workplace Diversity Report*: “developing an organizational culture that sincerely embraces diversity and inclusion requires conscious effort and significant resources.”[[11]](#footnote-11)

Companies in the *Mature* stage of their D&I efforts often reflect the following:

* Company’s D&I efforts are led by a senior, executive-level leader with direct access to corporate leadership (up to a direct Chief Diversity Officer/CEO reporting line), with related upskilling apparent in the dedicated D&I staff
* D&I offerings have moved beyond training to embedding of core D&I principles into key processes including recruiting, professional development, performance management, promotions and promotional velocity and pay parity
* Employee affinity/resource groups are well supported by management, and are regarded as a source of insights and diverse perspectives to the companies’ leadership
* D&I and other demographic data is not only tracked and reported, but actively used in strategic decision-making
* Tracked data is analyzed in more sophisticated ways, including assessing areas such as intersectionality
* Company is more likely to have an established supplier diversity program
* D&I efforts have been sustained and have evolved as the corporation and its culture evolve

## Category 2: Managing D&I: The Organizational Approach to D&I

***When tech companies build D&I into their internal infrastructures and initiatives, their efforts create greater accountability and strengthen their cultural transformation and public image, over time.***

The following chart sets forth the types of internal organizational infrastructure and support initiatives the companies interviewed incorporate into their D&I efforts, notably, board representation and involvement; dedicated D&I staff; financial incentives; trainings; standards of business conduct; mentoring and retention; employee resource groups; and supplier diversity programs.

|  |  |
| --- | --- |
| **Internal Infrastructure and Initiatives for D&I** | **Company Involvement** |
| **Board Representation** | * 1 company has 1 African American and 3 women on its Board
* 1 company has 2 women of color on its Board
 |
| **Board Involvement** | * 1 company’s Chief Diversity Officer reports to the Board of Directors
 |
| **Staffing** | * Each company has dedicated D&I staff
* 2 companies have VPs tasked with D&I
* 3 companies have Chief Diversity Officers
 |
| **Financial Incentives** | * 1 company ties executive compensation to D&I goals
 |
| **Trainings** | * 1 company requires mandatory anti-bias training for all employees
* 1 company provides leadership training to its managers to enable them to assess talent without bias
* 1 company’s HR does race and cultural bias training (85% of managers have completed training)
* Employees undergo intercultural development inventory and all leadership is being certified in 1 company
 |
| **Standards of Business Conduct** | * 1 company adopted standards of business conduct
 |
| **Mentoring & Retention** | * Each company uses employee resource groups and employee networks to provide career development, support, networking and mentoring
* 1 company’s formal programs offer cohort and one-on-one mentoring to support retention
* 1 company uses technical and social buddy systems
* 1 company offers 6-week bootcamp for engineers
 |
| **Employee Resource Groups** | * 1 company’s Diversity Councils are supported by HR
* Each company has Employee Resource Groups for, *inter alia*, people of color, women, LGBT, and allies
 |
| **Supplier Diversity Program** | * 1 company is starting a program
* 3 companies currently have a program
* 1 company maintains a database of providers
* 1 company engages small contracts in goods and services
* 1 company participates in a supplier chain diversity group that helps tech industry improve supplier diversity efforts
* 1 company uses matchmaking efforts to bring in diverse suppliers
* 1 company engages with diverse supplier organizations 2 weeks out of each month
* 1 company does not have a formal program, but uses diversity sourcing to identify diverse vendors
 |

### *Representation and Involvement of Board of Directors*

As demographics in the United States become increasingly more diverse, forward-thinking boards are adding more diversity of background, experience, and thought to the boardroom.[[12]](#footnote-12) The representation and involvement of people of color and women on corporate boards creates greater accountability for providing equal opportunity to groups historically excluded from executive positions and enables the full and fair use of the available talent pool. Several roundtable companies have women and/or people of color on their respective boards. Additional companies provide diversity reports to their boards. At more mature stages, there is direct accountability by corporate D&I functions to their company’s Board of Directors, and at least one Chief Diversity Officer reports directly to the board and provides quarterly hiring reports.

### *Staffing*

Diversity and inclusion best practices generally include a combination of C-suite, senior executive, and mid-level staff to design, develop, implement and sustain their diversity programs. This cross-level approach ensures that diversity and inclusion initiatives build upon and incorporate the full spectrum of employee involvement and perspectives as well as span the full talent management lifecycle. Each of the six companies interviewed has dedicated D&I staff. The leaders of D&I efforts within the companies hold various titles, including Vice-President and Chief Diversity Officer, and have various reporting structures. While the titles may differ there are commonalities, with the majority of these leaders having previously served in senior-level D&I positions elsewhere. Their backgrounds include work at other tech companies, as well as in other industry sectors, academia, and government. Ideally, bringing these varied backgrounds to bear in the tech sector will lead to cross-industry pollination of best practices and learnings. The broader D&I teams also reflected a breadth of employee and D&I experience, moving beyond the first-generation D&I model of pulling D&I leads almost exclusively from either employee resource groups (ERGs) or human resources (HR) and related functions. These teams have responsibilities which include training senior leaders, mid-level managers, and new employees as well as providing guidance and support to employee resource groups.

Similarly, a related best practice is ensuring that D&I teams don’t work in a silo, but instead work across departments and functions including human resources, government affairs, supplier diversity departments, legal and business functions. Some of the interviewed companies at more mature stages of development worked cross-functionally more than others at the growth stage. Each had, at a minimum, started partnering with recruiting and workforce-facing functions. More mature D&I programs had also started or, in some instances, refined and sustained working cross-functionally with business-facing and marketplace-facing functions.

### *Performance and Financial Incentives*

In 2004, of the Career Subcommittee’s 2004 “best of the best” practices called for companies to “incorporate diversity goals and objectives in the performance appraisal and compensation processes.”[[13]](#footnote-13) The Subcommittee determined that “if employees are evaluated and compensated in part on the basis of diversity objectives, they have a vested interest in accepting responsibility (being held accountable) for specific diversity outcomes.”[[14]](#footnote-14) Driving change by holding company leaders more accountable for improving D&I goals through performance appraisal and financial incentives can help a company align leadership and diversify its workforce.

Five of the six companies do not use performance or financial incentives. One company in the *Mature* stage has, however, tied components of executive compensation to its diverse hiring and promotion goals for several years. It designed this effort to align leaders on shared goals and to deliver on its goal to operate as a cohesive team. In addition, the company created qualitative performance indicators that align long-term interests of its stakeholders. One company with a *Mature* D&I program reported that use of numerical hiring quotas was ineffective. However, what has worked is helping their hiring managers learn how and why diverse perspectives contribute to innovation. Another company in the *Mature* stage has opted to use accountability measures for managers and to highlight how well different departments are doing in terms of diversity in order for mangers to receive rewards from their peers for their leadership in diversity.

### *Trainings*

The *2004* *Workplace Diversity Report* called on companies to “provide training and guidance to management and staff,” concluding that “it is critically important to communicate diversity efforts throughout an organization. Members of the organization need to know not only what the diversity goals are, but also how to accomplish those.”[[15]](#footnote-15) In the 15 years since the *2004 Report*, while a majority of companies interviewed still conduct unconscious bias trainings, among growth and mature D&I approaches the concept of training has moved beyond holding stand-alone diversity trainings in areas such as unconscious bias to the embedding of inclusive principles across programs and processes. Each of the companies interviewed had incorporated D&I into its recruiting processes, from sourcing to interviewing to offer and hiring, with information and in some instances training on key D&I principles provided to recruiting staff. One firm emphasized the importance of trust and autonomy among staff and managers regarding diversity. Some of the companies had focused on requiring diverse candidate slates, employing different versions of the “Rooney Rule.”[[16]](#footnote-16) Others have gone a step further, developing inclusive interviewing processes and extending inclusive recruiting-facing trainings beyond the recruiting function and into the business, specifically training both hiring managers and business-side interviewers. On the performance management side, at least one interviewed company provides managers with leadership training to enable them to assess talent without bias. Another company utilizes the Intercultural Development Inventory (IDI) as a company-wide training tool to build intercultural competence.[[17]](#footnote-17) Regardless of the specific methodologies utilized, while siloed D&I training is unlikely to be effective, carefully tailored trainings that help enable employees and leadership to understand diversity and unconscious (implicit) biases and that bring an enhanced inclusive lens to a company’s broader processes may ultimately contribute to more collaborative, inclusive, and competitive workplaces.

### *Standards of Business Conduct*

Standards of Business Conduct illustrate how companies use their corporate culture and values to build and preserve trust with their customers, governments, investors, partners, representatives, and employees, so they can work effectively together. Only one of the six companies reported during the roundtable interviews that it had adopted standards of business conduct that address D&I.[[18]](#footnote-18) As a result, the company identified and embraced inclusive behaviors that have been developed into storytelling and anecdotes used to help managers, and meeting tools for human resources staff. In addition, a wide variety of D&I champions have emerged among the staff. The company reported that organic camaraderie and commitment to help employees and managers now exists.

### *Mentoring and Retention*

Early-stage D&I efforts often focus primarily on recruiting. Retention is, however, a key element in building and sustaining diverse workforces: a pipeline that leaks talent as quickly as talent enters it increases costs, and negatively impacts employee morale and productivity.

Several tech companies are using mentoring programs to invest in employee development, to improve or stabilize retention rates, and to reduce turnover. Two companies in the *Mature* stage use formal programs that offer one-on-one and group mentoring. Technical and “social buddy” systems are used by an *Early Growth* stage company to support employees, while another *Early Growth* stage company uses a six-week bootcamp for engineers. Several companies have moved beyond mentoring programs to sponsorship programs, which focuses on having senior advocates who actively create visibility, generate stretch opportunities, and make the inter-personal connections necessary for advancement.[[19]](#footnote-19) These programs align with the 2004 Subcommittee’s best practice of providing training and guidance to management and staff. Its *2004 Best Practices Diversity Report* determined that “organizations can also provide sustained and continuing guidance through activities such as workshops, mentoring programs and diversity teams.”[[20]](#footnote-20)

### *Employee Resource Groups*

The *2004 Workplace Diversity Report* recognized affinity groups, or forums for employees sharing common identities, interests and/or goals, or ideologies. Employee resources groups are often organized around identities such as race, gender, sexual orientation, religion, age, veterans, or physical disabilities as avenues for providing training and guidance to management and staff. They were also utilized to provide career support to employees, promote cultural awareness and community service, and perform talent development.[[21]](#footnote-21)

Since that time, in growth and mature stage companies employee affinity groups have evolved into employee or business resource groups (ERGs/BRGs) that, in addition to providing career support to employees and promoting cultural awareness also enable companies to gain greater insight and penetration into increasingly diverse marketplaces and otherwise tie back into the business.[[22]](#footnote-22)

Each of the six roundtable companies that were interviewed have launched employee resource groups that support, among other groups, people of color, women, LGBT (Lesbian, Gay, Bisexual and Transgender) employees, veterans and “allies” (i.e. employees who do not identify with any of the affinity categories but support their fellow colleagues). Additionally, one company in the *Mature* stage maintains diversity councils that are supported by its human resources department.

### *Supplier Diversity Program*

Supplier diversity programs encourage the procurement of goods and services from minority and women-owned firms. Such programs may also promote innovation through the entrance of new products, services, and solutions via multiple channels. These programs also introduce companies to small, minority and women-owned firms, and as such, expose the large firms to potential streams for new employees.

Supplier diversity programs may drive price and service-level competition between the company’s existing and potential vendors. They help companies take advantage of new opportunities for business expansion with the emergence of new consumer needs based upon shifting demographic realities. These programs illustrate a company’s commitment to doing business in diverse markets, and they showcase the company’s interest in and commitment to the economic *Growth* of diverse communities. In addition, they are a clear indicator that a company is actively pursuing what the *2004 Subcommittee* deems as a best practice for adopting specific diversity and inclusion goals and objectives. The relationships a company establishes with supplier diversity vendors and diverse communities represent “alliances with external organizations [that] may help with diversity efforts.”[[23]](#footnote-23)

Supplier diversity programs are used by three *Mature* stage companies. One of these companies uses matchmaking efforts to bring in diverse suppliers and attends supplier diversity events hosted by groups. It also participates in a supply-chain diversity group to help the tech industry improve supplier diversity efforts. A database of providers is maintained by a second company. A third company engages small contracts in goods and services.

One company in the *Early Growth* stage is in the process of launching a program. In place of a supplier diversity program, a company in the *Growth* stage is utilizing diversity sourcing to identify diverse vendors who are also in the *Growth* phase.

A more detailed analysis of supplier diversity is contained in Chapter 4.

## Category 3: D&I Accountability: Data Collection, Tracking, Measurement and Reporting

***When tech companies use a portfolio of tools to collect, measure, analyze, and share their D&I data internally and publicly, they provide a transparent assessment of their progress towards their diversity goals.***

The following chart sets forth the various ways companies interviewed achieve D&I accountability with the support of data collection, tracking, measuring, and reporting.

|  |  |
| --- | --- |
| **D&I Accountability: Data Collection, Tracking, Measuring and Reporting** | **Company Involvement** |
| **Data Collection/Tracking & Measurement** | * Each company tracks diversity statistics to better understand hiring, retention and attrition trends in both technical and non-technical positions.
* Multiple companies identify geographic areas for focus in terms identifying a broader range of diverse talent
* 1 company uses employee surveys to track leadership’s efforts in D&I
* 1 company uses accountability measures with its managers to incentivize implementation of D&I goals
 |
| **Internal Reporting** | * At the time of the interviews, 1 company’s Board receives quarterly reports on D&I efforts, trends and outcomes
 |
| **External (Public) Reporting** | * Each company publicly releases a Diversity Annual Report reflecting current-state demographic information.
* At least 1 company publicly reports intersectional D&I data
* 1 company has released diversity data for 5+ years
* 1 company publicly releases employee retention data with a D&I analysis
 |

### *Data Collection, Tracking, and Measurement*

Setting measurable evaluation criteria is a key component of the best practices outlined by the 2004 Subcommittee, with the Subcommittee concluding that “in order to measure success, the organization must develop baseline data and compare that data to results achieved within a certain time period.”[[24]](#footnote-24)

Using the approach recommended by the 2004 Subcommittee, each of the companies interviewed is active in collecting and tracking demographic data. Three companies in the *Mature* stage collect and track race and gender, leadership efforts, and employee path and retention data for intersectional analysis, diversity statistics to better understand hiring and retention trends, and talent and attrition. One of these companies uses employee surveys to track the efforts of leadership in hiring and promoting diverse employees. Accountability measures are used with managers in a third company. A company in the *Growth* stage tracks employee paths and retention and identifies cities where it should grow in terms of D&I.

### *Internal and External Reporting*

Tracking and ultimately reporting D&I data can help companies identify best practices and solutions that will ultimately make their workforce stronger and more productive. It also aligns with the 2004 Subcommittee’s best practice of “direct communication for diversity efforts throughout the organization” and demonstrates “management’s commitment to diversity efforts.”[[25]](#footnote-25) Sharing the data publicly gives companies an opportunity to demonstrate transparency in how they operate, benchmark with other companies in their industry, and contribute to the development of industry-wide best practices.

Each company has a variety of mechanisms internally tracking and utilizing data. Each uses demographic data to better understand hiring and retention. Several use data to identify where bias may be impacting processes such as performance management and promotions. A company in the *Mature* stage uses the data to support cases that demonstrate how diverse teams produce better results. It also provides quarterly reports with hiring data to its board of directors.

Each of the tech roundtable firms also externally reports diversity and inclusion-facing data. A company in the *Mature* stage of its D&I program has publicly released its diversity data for the fifth year in the row. A company in the *Growth* stage shared some of its employee retention data publicly. These changes – in an industry where external reporting was long the exception rather than the rule – are encouraging but acting upon the data collected will be the key in bringing true diversity and inclusion to the sector.

## Category 4: Achieving Workforce D&I: Recruitment, Hiring Outreach and Pipeline Development

***Establish strategic partnerships with organizations and universities. Utilize the expertise of the company’s employee resource groups to enhance the company’s capacity to attract diverse talent and cultivate a pipeline for future talent.***

The following chart sets forth the various ways companies achieve D&I workforce with the support of recruitment and hiring outreach and pipeline development efforts.

|  |  |
| --- | --- |
| **Achieving Workforce D&I: Recruitment, Hiring Outreach and Pipeline Development** | **Company Involvement** |
| **Elementary, Middle, and High School** | * 1 company funds coding, leadership, 3-D making, and entrepreneurship year-round program in various cities
* 1 company facilitates an on-campus program for underrepresented middle school girls & boys
* Each company partners with a combination of national civil rights, coding, tech, and sports organizations and various colleges and universities to provide outreach and training to students from under-represented communities
 |
| **College-Level** | * Each company recruits from historically Black colleges and universities (HBCUs) and other colleges/universities serving under-represented populations. Many also provide scholarships and internships for members of diverse groups.
* 1 company provides paid internships that offer housing assistance & tuition-assistance in senior year
* 2 companies partner with nonprofit organizations on tech workforce development programs
* 1 company sends engineers to HBCUs for a semester residence to teach students latest software
* 1 company hosts HBCU students on its campus
 |
| **Hiring Process** | * 1 company has an internal hiring task force
* 1 company allows applicants to interview current employees about company culture and experience
* 1 company uses diverse slate approach
* 1 company is identifying a new source of non-tech applicants and providing tech training
* 1 company uses U.S. Department of Labor apprenticeship program to hire new talent
* D&I is a major focus for entry-level hiring at 1 company
 |
| **Employee Onboarding Process** | * 1 company provides new hires with training on a sense of belonging, financial management and how to address unique challenges to residing in California, e.g., culturally relevant religious institutions, ethnic hair care services
* 1 company uses a program to accelerate the path for diverse employees so that they not only get on board, but “stay onboard”
* 1 company has invested in accessibility infrastructure for differently-abled staff
 |

### *Outreach to Elementary, Middle, High School, and College Students*

In its *2004 Workplace Diversity Report*, the Subcommittee stated that, “companies recognize that being competitive in a global economy requires forming relationships with organizations and members of the community who share the common goal of fostering diversity.”[[26]](#footnote-26) Each of the six companies has strategic partnerships in place to attract diverse talent and cultivate a pipeline for future talent. One company in the *Mature* stage operates a coding, leadership, 3-D making, and entrepreneurship program for middle and high school students in various cities. Another company in the *Mature* stage oversees a program that brings underrepresented elementary and middle school students to its campus for tech training and coaching.

Each company interviewed also works with historically Black colleges and universities (HBCUs) and multicultural professional organizations such as National Society of Black Engineers (NSBE) and Society of Hispanic Professional Engineers (SHPE) to recruit interns and employees. One *Mature* stage company runs a program that hosts HBCU students on its campus and sends engineers to HBCUs for a semester-in-residence to teach students the latest software. Two companies in the *Mature* stage partner with nonprofit organizations on tech workforce development programs. One company in the *Mature* stage offers paid internships that include housing and tuition assistance to students in their senior year. Scholarships and internships for members of diverse groups are also provided by an additional company in the *Mature* stage. Roundtable firms emphasized the necessity that students have access to the best technical training and education by their freshman year in college because tech interns are evaluated on their skills and knowledge attained by their collegiate freshman year, and may not make the cut for tech internships based on their skills at that early stage. Two companies in the *Growth* or *Early Growth* stages did not provide information about their student outreach or pipeline efforts. The key challenge is converting these efforts into tangible changes generally, and measurable increases in particular in the number of employees hired from traditionally under-represented groups by these companies.

*Hiring and Employee Onboarding Process*

In order to attract and retain diverse talent, tech companies are changing the way they search for candidates and support new employees, making diversity a major focus for hiring. One company in the *Growth* stage has created an internal hiring task force and allows applicants to interview employees about company culture and experience during the hiring process. Using a “diverse slate” approach (which is an approach that was derived from the so-called “Rooney Rule” which has been used to attempt to diversify the front office of the National Football League)[[27]](#footnote-27) is commonly used to expand hiring efforts. Finding new sources of non-tech applicants through strategic partnerships and providing tech ad training and apprenticeships has broadened the hiring efforts of a company in the *Mature* stage. Another company in the *Mature* stage has invested in a global hiring strategy that considers the cultural dynamic of countries where their business is located, and employee communities formed around race, gender, orientation, and accessibility.

During the onboarding process, one company in the *Early Growth* stage sponsors a program to accelerate the career path for diverse employees. One company in the *Mature* stage provides new hires with training on how to achieve a sense of belonging, financial management, and how to navigate their new cities. In an effort to accommodate its new and current employees’ needs, a company in the *Mature* stage has invested in disability accessibility infrastructure.

## Category 5: Most Common D&I Challenges

***Despite tech companies’ commitment and efforts to incorporate D&I into their corporate DNA and workforce, they face challenges that can limit their progress and reduce their productivity and profitability.***

The following chart sets forth the most common D&I challenges faced by the companies.

|  |  |
| --- | --- |
| **Most Common D&I Challenges** | **Company Feedback** |
| **Sustaining D&I Program** | * 1 company reported D&I hiring policies and practices shift and change with executive leadership
* 1 company reported D&I specialists move around to different companies
 |
| **Hiring Process** | * 1 company reported it is challenged with sorting through numerous applications in way that supports D&I and is non-discriminatory while ensuring the selection of strong candidates
 |
| **Retention of People of Color** | * 1 company reported women of color lack sense of belonging and seek other career advancement opportunities
 |
| **Recruitment for New College Graduates** | * 1 company reported that it does not recruit new college graduates because applicants don’t have coding experience
 |
| **Job Promotion** | * 1 company reported that because the workforce of the founding company was homogenous, the workforce that is promoted is also homogenous
 |
| **Leadership Approach to D&I in Conflict** | * 1 company reported it values D&I, but doesn’t want to disrupt creative/collaborative process
* 1 company reported that 1/3 of managers are not focused on D&I, and 1/3 of managers don’t understand importance of D&I
 |

### *Leadership Approach to D&I in Conflict*

The 2004 Subcommittee’s *2004 Workplace Diversity Report* concluded, “to achieve workforce diversity, the CEO must set diversity as an important goal and position the responsibility for diversity with senior executives.”[[28]](#footnote-28)Two companies in the *Early Growth* stage are experiencing what happens when a company’s leadership is not fully vested in diversity. They value D&I, but do not want to disrupt their creative and collaborative process. Their management team does not have a shared understanding of the importance of D&I. Some managers choose not to focus on D&I at all.

### *Sustaining D&I Program*

Interviewees report that navigating the shifting focus of D&I hiring policies and practices when executive leadership undergoes constant change as well as the turnover rate of D&I staff makes it challenging for companies to build and operate a sustainable D&I program. Ironically, however, it is often changes in executive leadership that open the door to improvements in D&I practices.

### *Hiring Process*

Sorting through numerous applications in a way that supports D&I and is non-discriminatory while ensuring the selection of strong candidates is a challenge faced by a company in the *Mature* stage. The hiring process in one company in the *Early Growth* stage has reduced its capacity to attract diverse talent by its choice to overlook new college graduates who do not have previous coding experience. However, tech firms should be alert for and open to hiring diverse talent in non-tech, non-engineering staff positions as well.

### *Retention and Job Promotion of People of Color*

Being able to retain women of color who lack a sense of belonging and seek other career advancement opportunities was cited as a challenge by one company in the *Mature* stage. Promoting people of color is a challenge for a company in the *Early Growth* stage that maintains a homogenous population and promotion efforts reflective of its founders.

# **Chapter 3: Recommended Tech Diversity Best Practices**

The ACDDE Diversity in Tech Working Group drew from the *2004 Best Practices Diversity Report* best practices recommendations[[29]](#footnote-29) and the information obtained through the interviews detailed above, to generate the following best practices outlined below; notably, 1) incorporate D&I into the internal infrastructure of the company; 2) implement an “organizational approach” at the outset; 3) establish metrics and accountability, and 4) establish strategic partnerships.

1. ***Incorporate D&I into the Internal Infrastructure***: Diversity starts at the top. Incorporate D&I into the internal infrastructure of the company to create accountability and strengthen brand and value in the marketplace. These efforts include:

Establish support from the CEO and top executive team;

* Actively recruit people of color and women as members of the board of directors;
* Involve the board of directors in D&I initiatives through regular reporting;
* Appoint a Chief Diversity Officer or senior-level executive to manage D&I;
* Hold senior executives and managers accountable for D&I goals through financial incentives and performance appraisals;
* Require mandatory D&I and unconscious bias training for all employees, managers, and senior-level executives on a regular basis (monthly or quarterly);
* Create and use standards of business conduct that address D&I;
* Implement formal mentoring programs and employee resource groups;
* Implement a formal supplier diversity program to ensure the inclusion of diverse vendors; and
* Incorporate D&I into all aspects of the core business, not only with respect to staffing.
1. ***Implement an Organizational Approach to D&I at the Outset:*** Implement an organizational approach to D&I at the outset, instead of progressively incorporating D&I initiatives at various stages as a “reaction.” In the long run it will help the company avoid and/or minimize internal and external crises that could damage the company’s brand and value in the marketplace.
2. ***Establish Metrics and Accountability***: Create accountability through regular D&I data collection, tracking, and reporting. Make the information available annually to employees and the public.
3. ***Establish Strategic Partnerships***: Establish strategic partnerships with organizations and universities. Utilize the expertise of employee resource groups to enhance company’s capacity to attract diverse talent and cultivate a pipeline for future talent.

# **Chapter 4: The Role of Supplier Diversity in Diversity and Inclusion**

As new and legacy tech companies continue to expand and impact the national and global economy, it is vital to ensure that supplier diversity is a core part of their company cultures and values. Incorporating diverse suppliers breeds innovation, often results in cost reduction, and is an effective part of a risk-management strategy.

The Working Group interviewed the tech companies with the goal of assessing their supplier diversity efforts and programs as a component of their overall D&I efforts. As a result, the Working Group has developed key practices and guidelines on how tech companies can build and expand successful supplier diversity programs.

Generally, companies’ diverse suppliers fall under two tiers:

* Tier 1 consists of third-party vendors contracted directly by companies to provide goods and services that support business operations.
* Tier 2 consists of “fourth-party” vendors contracted by companies’ vendors to ensure their operations are successful.

While spending on Tier 1 vendors is the primary gauge of a company’s supplier diversity efforts and impact, Tier 2 spending is increasingly accepted by government contracts as a gauge of D&I spending.[[30]](#footnote-30)

## The Business Case for Supplier Diversity

* Improves cost and quality for companies as larger groups of existing and potential vendors compete on price, product, and service deliverables
* Addresses shifting consumer needs as demographics shift, providing new opportunities for expansion
* Drives innovation through more varied sources of new products, services, and solutions
* Increases procurement channels for goods and services
* Provides a measurable display of company’s commitment to conducting business in diverse markets
* Expands consumer base as diverse communities are more likely to use companies that have a positive reputation to D&I

Supplier diversity benefits everyone impacted by its framework – not just the companies with such programs. These enterprise efforts bring economic value to communities and the nation, because they encourage the growth of diverse businesses. However, diverse businesses often face institutional barriers to their viability and success, such as access to capital and connections to key networks. Robust supplier diversity programs and efforts make a significant impact on addressing these issues, benefitting those small businesses, the companies that engage them, and the national and global economy.[[31]](#footnote-31)

Additionally, supplier diversity is important because it provides products and services to untapped, emerging consumer markets. While traditional products and services remain available to consumers, demographic shifts create opportunities for diverse suppliers to meet the needs of emerging and shifting populations both domestically and globally. The 2015 NMSDC report[[32]](#footnote-32) cites a Department of Commerce study, which found that the growing minority population will account for as much as 70 percent of the total increase in purchasing power from 2000 to 2045.[[33]](#footnote-33)

## Review of Tech Companies’ Supplier Diversity Practices

During its research and interviews with several of the nation’s leading tech companies, the Diversity in Tech Working Group found a clear pattern of robust supplier diversity programs and investment among legacy tech companies founded before the start of the dot-com era and lagging efforts among newer tech companies. Similar to the overall D&I assessment chart presented earlier in this report, the Working Group compiled a supplier diversity assessment chart to gauge best practices, areas that need improvement, and serve as a tool for companies to create, develop, and expand their supplier diversity programs.

|  |  |
| --- | --- |
| **Supplier Diversity Accountability: Programs and Key Efforts** | **Company Involvement** |
| **Age of Supplier Diversity Program** | - 2 companies have supplier diversity programs over 10 years old. These companies invest over $1 billion per year in supplier diversity efforts- 1 company has supplier diversity less than 10 years old and has invested over $1 billion in 5 years- 1 company is currently developing a supplier diversity program  |
| **Age of Small Business and Diverse Supplier Development Program** | - 1 company has a development program over 10 years old- 1 company has a new supplier diversity development program |
| **Key Supplier Diversity Efforts** | - 2 companies are members of the Billion Dollar Roundtable - 2 companies have an intuitive, informative, and useful Diverse Supplier section on their websites- 1 company has a diverse supplier portal- 1 company attends supplier diversity events held by groups up to two weeks every month- 1 company uses matchmaking efforts to bring in diverse suppliers- 1 company engages small contracts (as low as $200) in goods in services- 1 company participates in a supply chain diversity group that helps the tech industry improve supplier diversity efforts- 1 company provides management training to enable them to assess talent without bias- 1 company does not have a formal program, but uses diversity sourcing to identify diverse vendors |
| **Most Common Supplier Diversity Challenges** | - 2 companies have no formal supplier diversity program- 4 companies have no small business/diverse supplier development program- 3 companies have no supplier diversity portal- 1 company has a heavy focus on some aspects of diversity and inclusion (such as LGBT) but is missing others (such as African American) |

## Best Practices and Areas for Improvement in Supplier Diversity Programs

Among the companies interviewed, several are in the mature stage of supplier diversity, with existing and robust supplier diversity programs; in fact, some are part of the Billion Dollar Roundtable, meaning they have achieved spending of at least $1 billion with minority- and women-owned suppliers.[[34]](#footnote-34) Other companies are currently working to develop new supplier diversity programs, while still others have no supplier diversity programs at all, although all expressed commitments to diversity and inclusion.

### *Best Practices*

Below are summaries of the WG’s recommendations for tech best practices for supplier diversity:

1. **Supplier Diversity Expenditures Can Be Neither Too Large Or Too Small**
* *Engage small contracts as low as $200 in goods and services*
* *Consider implementing supplier diversity in nontraditional products and services*

As members of the Billion Dollar Roundtable, some of the companies interviewed award over $1 billion annually to qualified diverse suppliers, with the goal of connecting more minority-, women-, veteran-, persons with disabilities-, and LGBT-owned businesses to opportunities within their companies. At the same time, these companies ensured they engaged diverse suppliers in *all* areas of their business, from sourcing to landscaping, with some contracts as small as $200.

Several firms indicated that they also seek to purchase services from diverse entities, including, for example, legal services. Moreover, some firms interviewed indicated that they also require that the vendors they utilize demonstrate that their staffs are diverse. Thus, the Diversity in Tech working group encourages tech firms to seek out diverse entrepreneurs for a wide range of services to support their businesses, as well as to inquire about the diversity of the vendors and entrepreneurs with whom they engage.

1. **Stay Informed and Connected with Diverse Entrepreneurial Networks**
* *Frequently attend diverse events*
* *Work to ingrain diversity throughout corporate culture*

One of the companies interviewed reported attending events held by women- and minority-owned business enterprises (“WMBE”) such as the NMSDC, LGBT events held by groups such as the National Gay and Lesbian Chamber of Commerce, veterans’ organizations, and other groups and events, up to two weeks out of every month. The frequency with which the company attends these events reflects its core belief in diversity as an integral part of its company culture and business model, evident in its awards of over $1 billion annually to diverse suppliers.

1. **Track, Plan, and Measure What is Important to the Company**
* *Outline and measure supplier diversity program objectives, benchmarks, and goals*
* *Develop consistent supplier diversity policies for all departments with purchasing authority*

The companies with the largest supplier diversity efforts developed and implemented supplier diversity program plans that included company assessments of their existing diverse supplier engagement, goals, and benchmarks. They do so in order to consistently improve their supplier diversity and other measures incorporating efforts such as training and incentivizing their workforce and leadership.

1. **Serve as a Source of Information**
* *Maintain a robust Supplier Diversity Program webpage*
* *Maintain online portals and databases for diverse suppliers*
* *Provide resources for startups and diverse suppliers through formal or informal supplier diversity development programs*

Among the firms interviewed, those with the most successful supplier diversity programs maintain informative Internet webpages that serve as sources of information about company supplier diversity programs and portals for suppliers to seek contracts. Generally, these companies’ supplier diversity pages included information regarding: company commitment to diversity; key supplier diversity program basics; company supplier diversity corporate policy; company expectations and qualifications from suppliers; information on what suppliers can expect from the company; and assistance and/or resources from the supplier diversity team.

1. **Collaborate and Partner with Other Firms and Local Agencies**
* *Form partnerships with other companies to help the industry improve on supplier diversity through a supply chain diversity group of about 35 other tech companies*
* *Collaborate with schools, nonprofits, and other institutions both to discover and to develop new talent*

As members of the Billion Dollar Roundtable, several successful companies promote and share best practices in supply chain diversity excellence through the production of white papers. In discussions, the members review common issues, opportunities, and strategies.[[35]](#footnote-35) Additionally, some companies have joined smaller supply chain diversity groups comprised of up to 35 tech companies to make similar efforts. Other companies collaborate with schools, universities, and nonprofit organizations such as Girls Who Code and Tech 2040 to seek the next source of up-and-coming small, diverse businesses, and to assist with the education of the future diverse workforce.

*Areas for Improvement for Roundtable Firms*

Although some tech companies have recently sought to address the lack of diversity within their ranks, some have struggled to make meaningful progress. Several of the companies interviewed have set modest benchmarks and are on their way to achieving their goals. During the research and interview process with tech companies, several areas for improvement were observed and discussed with their firms’ representatives.

* No formal programs: Several companies have no formal supplier diversity program.
* No online portal or accessible information: Among some companies that use third-party vendors, there was no online portal or easily-accessible resources for small and diverse suppliers to engage with the company.
* Spotty commitment: Companies have reported that supplier diversity practices shifted throughout the company based on changes in leadership and how individual leaders’ prioritized company-wide diversity efforts.

## Best of the Best Practices to Improve Supplier Diversity

In light of the foregoing information, the Working Group has developed a “best of the best” list of recommended practices based on those companies with strong and successful supplier diversity programs. This “best of the best” list may be used by any tech firm that seeks to enhance its supplier diversity outreach efforts.

* Top-Down Approach: Train and incentivize top management on the importance of supplier diversity. Incentives can include the incorporation of diversity goals and objectives in the performance appraisal and financial compensation for managers.
* Create a Supplier Diversity Development Plan:
	+ Hire a head of D&I at the company if one does not already exist
	+ Develop a supplier diversity corporate policy
	+ Measure existing supplier diversity metrics. How many diverse suppliers does the company currently use? What is the annual spend?
	+ Adopt specific supplier diversity goals, objectives, and benchmarks, and set measurable evaluation criteria for a set period of 2-5 years
	+ Develop a formal process to attract and vet diverse vendors
	+ Track, attend, and help host upcoming supplier diversity events as frequently as possible
* Create a Supplier Diversity Web Portal, Including Key Information:
	+ Information about company and commitment to diversity
	+ Key supplier diversity program basics
	+ Supplier diversity corporate policy
	+ Expectations and qualifications from suppliers
	+ Commitments suppliers can expect from company
	+ Assistance and/or resources from the supplier diversity team
* Develop Partnerships: Work with other companies to learn how to improve supplier diversity efforts, and to help others improve their own programs through mutually-beneficial collaborations. Some companies are part of supply chain diversity groups of up to 35 other tech companies.
* Collaborate with Schools, Nonprofits, and Other Institutions: This allows companies to discover, rank, and utilize small, diverse suppliers, helping them to successfully compete with larger corporations and increase product and service awareness.
* Nurture Small and Diverse Business Growth through Trainings and Resources: Provide resources for startups and diverse suppliers through formal or informal supplier diversity development programs. Several of the leading tech companies have informative sections on their websites that provide tools and resources for suppliers to grow and succeed.

# **APPENDIX**

**TECH RESOURCE GUIDE**

***FOR JOB SEEKERS AND ENTREPRENEURS***

|  |
| --- |
| **For Prospective Employees** |
| **Step 1: Do Relevant Work** Just about every job description and recruiter says you “need real world experience before you apply,” but how are you able to get experience if no one will hire you to get experience in the first place?* Find internships, externships, or fellowships while you’re still in school.
* Volunteer your time during summer and winter breaks.
* Freelance to develop your skills working on various tech jobs.
* Build your expertise with the support of free, scholarship-based, or affordable courses.
* Join local and online peer groups and attend for information sharing and networking opportunities.
 |
| **Places to look:** VolunteerMatchWebsite:<https://www.volunteermatch.org/>Training:<http://learn.volunteermatch.org/>CatchafireWebsite:<https://www.catchafire.org> Training:<https://catchafireblog.org/>FiverWebsite:<https://www.fiverr.com/>Training:<https://learn.fiverr.com/>**Courses:** Google IT Support Professional CertificateWebsite:<https://www.coursera.org/specializations/google-it-support>Women Techmakers Udacity ScholarshipWebsite: <https://www.coursera.org/specializations/google-it-support> AT&T’s Nanodegree ProgramWebsite:<https://www.att.jobs/nanodegree-program-provides-affordable-training-tech-jobs> UdacityWebsite: <https://www.udacity.com> Grow with GoogleWebsite:<https://grow.google> Flatiron SchoolWebsite: <https://flatironschool.com> **Peer Groups:** Meetup Groups in Local AreaWebsite:<https://www.meetup.com/find/tech> TechConneXt Facebook GroupWebsite:<https://www.facebook.com/groups/TCXCommunity> Techqueria: Latinx in Tech Facebook GroupWebsite: <https://www.facebook.com/groups/techqueria> Black Tech Women Facebook GroupWebsite: <https://www.facebook.com/blacktechwomen> Women Who Tech Facebook GroupWebsite:<https://www.facebook.com/groups/womenwhotech> |
| **Step 2: Listen to the Buzz** Pay attention to whose name is getting thrown around in various lists, forums, and magazines for best companies to work for according to minority or women-owned businesses.  |
| **Places to look:** National Minority Supplier Development Council (NMSDC):<https://www.nmsdc.org/Facts-and-Figures.pdf>Black Enterprise:[https://www.blackenterprise.com/wp-content/static/lists//50bestfordiversity-2017/index.html](https://www.blackenterprise.com/wp-content/static/lists/50bestfordiversity-2017/index.html)Break Into Tech, The Step-By-Step Path To a Great Tech Job:<https://www.breakinto.tech/get-course> Forbes List of Helpful Sites For Finding Jobs in Tech:<https://www.forbes.com/sites/laurencebradford/2016/10/24/helpful-sites-for-finding-your-next-tech-job/#5466a1a6b9d6>**AnitaB.org’s Top Companies for Women Technologists:** <https://anitab.org/accountability/top-companies>  |
| **Step 3: Start Applying**With some experience under your belt, start applying to your dream job but first, market yourself and help employers find YOU! Here’s a good article to get you going:<https://www.themuse.com/advice/no-coding-skills-no-plan-to-pick-them-up-you-can-still-land-an-awesome-tech-job>  |
| **Where to start:** Linkedin: <https://www.linkedin.com/> Indeed: <https://www.indeed.com/> Dice: <https://www.dice.com/jobs> Underdog.io: <https://underdog.io/>TripleByte: <https://triplebyte.com/> The Muse: <https://www.themuse.com/> Product Hunt: <https://www.producthunt.com/jobs> AngelList: <https://angel.co/> Hire Tech Ladies: <https://new.hiretechladies.com/> PowerToFly: <https://powertofly.com/jobs/> GitHub: <https://jobs.github.com/> Women in Technology: <https://womenintechnology-jobs.careerwebsite.com> People of Color in Tech: <https://www.pocitjobs.com> Diversity in Tech: <https://www.diversifytech.co> Women 2.0’s Lane: <https://lane.women2.com> Limbo: <https://www.limbo.io> WomenHack: <https://womenhack.com> Nonprofit Technology Network: <https://www.nten.org/jobs> Blacks in Technology: <https://www.blacksintechnology.net/jobs-board>Latinas in Tech Career Hub: <https://www.latinasintech.org/news> Latinas in Tech Facebook Group: https://www.facebook.com/groups/551789254942334BDPA’s IT Diversity Careers: <https://www.itdiversitycareers.com> Wonder Women Tech: <https://wonderwomentech.com/wwtjobs>  |
| **For Prospective Entrepreneurs** |
| **Step 1: Launching Your Tech Business**Thinking about or in the planning phase of starting a tech business? Check out these articles as resources:How to Start a Tech Company: 21 Crucial Steps, <https://fi.co/insight/how-to-start-a-tech-company-21-crucial-steps> How to Start A Tech Company with No Money, <https://www.forbes.com/sites/quora/2017/03/09/how-to-start-a-tech-company-with-no-money/#44b8a6491d7b> How to Start a Tech Company When You Have No Tech Experience, <http://fortune.com/2016/11/29/tech-startup-no-experience> Launching and building a startup: A founder’s guide, <https://www.techrepublic.com/resource-library/whitepapers/launching-and-building-a-startup-a-founder-s-guide>  |
| **Step 2: Funding Your Tech Business** Here’s your chance to be creative in how you approach funding your tech business. There are several options.* Seek a bank loan or credit-card line of credit.
* Trade equity or services for startup help.
* Negotiate an advance from a strategic partner or customer.
* Join a startup incubator or accelerator.
* Solicit venture capital investors.
* Apply to local angel investor groups.
* Start a crowdfunding campaign.
* Request a small-business grant.
* Pitch your needs to friends and family.
* Fund your startup yourself.

Check out the articles below for more information. The 10 Most Reliable Ways to Fund a Startup, <https://www.entrepreneur.com/slideshow> Accelerators vs. incubators: What startups need to know, <https://www.techrepublic.com/article/accelerators-vs-incubators-what-startups-need-to-know> All Startup Support Programs and University-Based Accelerator Programs, <http://www.acceleratorinfo.com/see-all.html>25 Diverse Startup Incubators, <https://smallbiztrends.com/2013/11/list-of-startup-incubators.html> 31 Top Accelerators and Incubators for Women, <https://www.startupfunding.co/blog/31-top-accelerators-and-incubators-for-women> 7 Accelerators and Incubators You Should Know About (for people of color and women), <https://afrotech.com/7-accelerators-and-incubators-you-should-know-about> Top Tech Startup Incubators of 2019, <https://www.10xfactory.com/tech-startup-incubators> Funding your startup: Crowdfunding vs. Angel Investing vs. VC, <https://www.techrepublic.com/article/funding-your-startup-crowdfunding-vs-angel-investment-vs-vc/> |
| **Step 3: Target funders who support diversity.**Pay attention to funders who invest in and advise people of color, women and other diverse entrepreneurs. Read this article for more information: Diversity in Venture Capital: Founders for Change Launches a List of Diverse Investors, <https://about.crunchbase.com/blog/diversity-venture-capital-founders>.  |
| **Places to look:** Serena Ventures (founded by Serena Williams for women, people of color, and young entrepreneurs),<https://www.serenaventures.com> Thurgood Marshall College Fund x Apple’s The Pitch 2019, a four day conference where students participate in a Case Study competition centering on innovation and entrepreneurship, <https://www.tmcf.org/our-events/event/the-pitch-2019/17057>Backstage Capital (founded by Arlan Hamilton for people of color, women, LGBT, and other underrepresented groups), <https://backstagecapital.com> Bumble Fund (founded by Whitney Wolfe Herd for women of color and other underrepresented groups),<https://thebeehive.bumble.com/bumble-fund>Uber x Girlboss: https://uber.girlboss.com18 Black Owned Venture Capital, Private Equity & Angel Investment Firms, <https://shoppeblack.us/2018/02/venture-capital> 15 Top VC Funds for LGBT and People of Color, <https://www.startupfunding.co/blog/15-top-vc-funds-for-lgbtq-and-people-of-color> |
| **Step 4: Identify conferences and tech weeks to attend for training, resources, information sharing, and networking.***People of Color Tech Conferences and Fairs:*AFROTECH Conference<https://experience.afrotech.com> blackcomputHer Conference (for Black women and girls in STEM)<https://blackcomputeher.org/blackcomputeher-2019> BDPA Annual Technology Conference<https://www.bdpa.org/events/EventDetails.aspx?id=1140077> Blacks in Tech Conference<http://bitcon.tech> Black Women Talk Tech<https://www.blackwomentalktech.com> DisruptIndy – Midwest Tech Diversity Summit<http://disruptindy.com> HUE Tech Summit (women of color)<https://huetechsummit.com>Women In Tech Soiree[www.mogulette.org](http://www.mogulette.org) Latin Tech Conference<https://latintech.io> Latinas in Tech Silicon Valley Summit<https://www.latinasintech.org/summit> LULAC Latinx Tech Summit<https://www.latinxtechsummit.org/home> National Society of Black Engineers Annual Convention<http://convention.nsbe.org> Project NorthStar Conference<https://www.northstarphl.com/>REFACTR.TECH<http://refactr.tech/index.html> TechConneXt <https://www.blackenterprise.com/techconnext> Tech Inclusion Career Fair<https://techinclusion.co/career-fair>The Black is Tech Conference <http://blackistechconference.com> ***Women in Tech Conferences:***AnitaB.org’s Grace Hopper Celebration<https://ghc.anitab.org>Global Tech Women’s Voices Conference<https://www.globaltechwomen.com/voices-global-conference.html> Tech Women Rising Conference<http://techwomenrising.org> Women of Silicon Valley Conference<https://www.womenofsiliconvalley.com> Women in Tech Festival<https://siliconvalleyforum.com/women-in-tech-festival> Women in Technology Summit<https://www.witi.com/conferences/2019/summit>Women in Tech Summit (regional locations)<https://womenintechsummit.net/>Wonder Women Tech Summit (regional locations)<https://wonderwomentech.com/conferences> ***Tech & Start-Up Conferences:***Nonprofit Technology Network’s Annual Nonprofit Technology Conference <https://www.nten.org/ntc> Startup Grind Global Conference<https://www.startupgrind.com/conference> SXSW<https://www.sxsw.com> TechDay NY<https://techdayhq.com/new-york>***Courses***Class Central, a website offering 8,000 open online courses including business, computer science, and data science<https://www.classcentral.com>Codecademy, an online website that teaches coding<https://www.tmcf.org/our-events/event/the-pitch-2019/17057> Coursera, a website that partners with universities and organizations to offer courses online and certificates (free to join and charges a course fee)<https://www.coursera.org> Facebook Business, a free eLearning course series about Facebook marketing, Instagram, Audience Network, Messenger, WhatsApp, and Workplace<https://www.facebook.com/business/learn/courses?ref=ens_rdr>LinkedIn Learning (formerly Lynda.com), an online course website that provides career training in business software and tools, career development, marketing, and more (first month is free)<https://www.linkedin.com/learning/me>Microsoft Learn, a free training series on Azure, Dynamics, PowerBI, and Microsoft 365<https://docs.microsoft.com/en-us/learn> Today at Apple, a series of free classes on coding and apps, new apple products, art and design, video, and photography that are offered at local Apple stores<https://www.apple.com/today> Twitter for Business, a free resource center that provides training on how to use Twitter <https://business.twitter.com/en/basics.html>***Tech Weeks:***Atlanta Black Tech Week<https://atlantablacktechweek.org/home> Blacktech Week (Miami)<http://blacktechweek.com> DC CyberWeek<https://www.cyberscoop.com/events/dc-cyberweek/2019> DC Start-Up Week<https://dcstartupweek.org> Empire Startups New York FinTech Week <https://empirestartups.com/events/ny-fintech-week-2019> Glendale, CA Tech Week<https://www.glendaletechweek.com> OHTec Week<https://www.techweekneo.com> Philly Tech Week<https://2019.phillytechweek.com> Techstars Startup Weekend (multiple locations)<https://www.techstars.com/startup-week>  |



1. Among other reports, the WG reviewed the Equal Employment Opportunity Commission’s report on Diversity in High Tech (<https://www.eeoc.gov/eeoc/statistics/reports/hightech/>). The WG also considered other publicly available data on employment in the tech industry, including tech firm annual reports and diversity reports. [↑](#footnote-ref-1)
2. Economically, diverse companies perform better. A 2015 study by McKinsey & Company connected diversity with positive business metrics including productivity, profitability, quality, employee commitment, and retention. *See* Vivian Hunt, Dennis Layton, and Sara Prince, *Diversity Matters*, McKinsey & Company, February 2, 2015. *Available at* <https://www.mckinsey.com/~/media/mckinsey/business%20functions/organization/our%20insights/why%20diversity%20matters/diversity%20matters.ashx>.

 Key findings from the study are as follows:

Firms that are in the top 25 percent of companies based on their racial and ethnic diversity are 35 percent more likely to have financial returns above their respective national industry medians.

Firms that are in the top 25 percent of companies for gender diversity are 15 percent more likely to have financial returns above their respective national industry medians.

Diverse companies had 2.3 times higher cash flow per employee over a three-year period as compared to non-diverse companies.

The bottom 25 percent of companies both for gender and for ethnicity and race lag behind the others in financial returns. [↑](#footnote-ref-2)
3. Federal Advisory Committee Act, 5 U.S.C. App. 2.

 [↑](#footnote-ref-3)
4. Federal Communications Commission, Advisory Committee on Diversity for Communications in the Digital Age, Career Advancement Subcommittee, *Workplace Diversity: A Global Necessity and an Ongoing Commitment*, Chapter 2, The Role of the CEO in Promoting Diversity at, 15 (June 4, 2004) <https://transition.fcc.gov/DiversityFAC/040614/WorkplaceDiversityBestPractices.doc> (*2004 Workplace Diversity Report* or *2004* *Report* ). The *2004 Workplace Diversity Report* was researched and drafted by the Career Advancement Subcommittee of the 2004 Diversity Advisory Committee. [↑](#footnote-ref-4)
5. *2004 Workplace Diversity Report* at 15. [↑](#footnote-ref-5)
6. Federal Communications Commission, Advisory Committee on Diversity for Communications in the Digital Age, *Diversity: Best of the Best Practices Report*, Report of the Career Advancement Subcommittee at 1-2 (2004) <https://transition.fcc.gov/DiversityFAC/adopted-recommendations/BestOfTheBestReport111804.doc> (*2004 Diversity Best Practices Report*). [↑](#footnote-ref-6)
7. *Id.* [↑](#footnote-ref-7)
8. *Id.* [↑](#footnote-ref-8)
9. Leadership from the six companies attending the roundtable included a Vice President of Intersectionality & Culture & Diversity, a Senior Manager of Diversity & Inclusion, a Global Head of Women and Black Community Engagement, a Diversity Officer, a Diversity & Inclusion Program Manager, a Global Head of Diversity and Inclusion, a Chief Diversity Officer, and an Assistant General Counsel. [↑](#footnote-ref-9)
10. The WG conducted the roundtable interviews in July and August 2018 and March 2019. Since that time, the tech firms interviewed may have implemented new practices as a part of their diversity and inclusion policies. Thus, this tech diversity best practices report is a snapshot of these firms’ policies and programs at the time of the interviews. [↑](#footnote-ref-10)
11. *2004 Best Practices Repor*t at 7. [↑](#footnote-ref-11)
12. *See* Deb DeHaas, Linda Akutagawa, and Skip Spriggs, Deloitte LLP, *Missing Pieces Report: The 2018 Board Diversity Census of Women and Minorities on Fortune 500 Boards*, Harvard Law School Forum on Corporate Governance and Financial Regulation (Feb. 5, 2019), <https://corpgov.law.harvard.edu/2019/02/05/missing-pieces-report-the-2018-board-diversity-census-of-women-and-minorities-on-fortune-500-boards/>. [↑](#footnote-ref-12)
13. *2004 Diversity Best Practices Report* at 5. [↑](#footnote-ref-13)
14. *Id*. [↑](#footnote-ref-14)
15. *Id*. at 6.

 [↑](#footnote-ref-15)
16. *NFL Expands Rooney Rule Requirements to Strengthen Diversity*, (December 12, 2018), www.nfl.com/news/story/0ap3000000999110/article/nfl-expands-rooney-rule-requirements-to-strengthen-diversity (noting that the Rooney Rule requires every team with a front office vacancy to interview at least one or more diverse candidates). [↑](#footnote-ref-16)
17. *See* Intercultural Development Inventory, LLC, *The Roadmap to Intercultural Competence Using the IDI*, (June 13, 2019), <https://idiinventory.com>. [↑](#footnote-ref-17)
18. The Working Group acknowledges that other interviewed tech firms may also have standards of business conduct that were not discussed and assessed during the context of the roundtable interviews. [↑](#footnote-ref-18)
19. *See*, e.g., Hewitt, S.A., *Forget a Mentor, Find a Sponsor: The New Way to Fast-Track Your Career*. Harvard Business Review Press (Aug. 2013); *see also* Carter, N., Silva, C., *Mentoring: Necessary But Insufficient for Advancement. The Promise of Future Leadership: Highly Talented Employees in the Pipeline*, Catalyst (Dec. 2010). [↑](#footnote-ref-19)
20. *2004 Diversity Best Practices* *Report.* at 7. [↑](#footnote-ref-20)
21. *Id.*

 [↑](#footnote-ref-21)
22. In this WG report, the terms “employee resource” and “employee affinity” groups may be used interchangeably. *See* Diversity Best Practices, Working Mother Network, Employee Resource Groups (Mar. 6, 2018), at <https://www.diversitybestpractices.com/employee-resource-groups>. [↑](#footnote-ref-22)
23. *2004 Diversity Best Practices* *Report* at 4. [↑](#footnote-ref-23)
24. *2004 Diversity Best Practices* *Report* at 4. [↑](#footnote-ref-24)
25. *2004 Workplace Diversity Report*, Chapter 4 Achieving Workforce Diversity at 2. [↑](#footnote-ref-25)
26. *2004 Workplace Diversity Report*, Chapter 4 Achieving Workforce Diversity at 24. [↑](#footnote-ref-26)
27. *See* note 16, *supra*, Rooney Rule, National Football League. [↑](#footnote-ref-27)
28. *2004 Workplace Diversity Report*, Chapter 2 The Role of the CEO in Promoting Diversity at 15. [↑](#footnote-ref-28)
29. *2004 Diversity Best Practices Report*. [↑](#footnote-ref-29)
30. *See* John Suarez, CVM Solutions, “What You Should Know: Tier 1 vs. Tier 2 Supplier Diversity Spend,” (February 7, 2019), <https://blog.cvmsolutions.com/difference-between-tier-1-spend-and-tier-2-spend>. [↑](#footnote-ref-30)
31. According to a 2015 report published by National Minority Supplier Development Council

(NMSDC), the nearly 12,000 NMSDC-certified diverse businesses as of 2014 had a total economic impact of more than $400 billion in output, driving the creation and/or preservation of more than 2.2 million jobs held by persons who find themselves either directly or indirectly employed by NMSDC-certified minority business enterprises (MBEs). *See* Scott Anthony Vowels, Ph.D., National Minority Supplier Diversity Council, *Economic Impact Report: The Effects of NMSDC Certified Minority Business Enterprises on the U.S. Economy*, September 2, 2015, <https://www.nmsdc.org/wp-content/uploads/Economic_Impact_Report_FINAL.pdf>. These minority suppliers also generated close to $49 billion in tax revenue for the benefit of local, state, and federal governments. [↑](#footnote-ref-31)
32. *Id.* [↑](#footnote-ref-32)
33. A 2015 joint report from the U.S. Census Bureau and the Minority Business Development Agency (MBDA) reports that minority-owned businesses have continued to outpace the growth of majority-owned firms. The report finds that in 2012, the number of MBEs increased by 39 percent (from 5.8 million to 8 million), and employment at minority-owned firms increased 33 percent to 7.7 million jobs over a 5-year period – triple the population growth rate among minorities – with gross receipts increasing by 53 percent over that same period. On the other hand, the number of non-minority firms shrank by five percent in that time. *See* Minority Business Development Agency, *U.S. Minority-Owned Firms Continue to Outpace Growth of Nonminority-Owned Firms*, Minority Business Development Agency (August 19, 2015)*,* <https://www.mbda.gov/news/2015/08/us-minority-owned-firms-continue-outpace-growth-nonminority-owned-firms>. [↑](#footnote-ref-33)
34. *See* Billion Dollar Roundtable, <https://www.billiondollarroundtable.org/>. [↑](#footnote-ref-34)
35. *Id.* [↑](#footnote-ref-35)