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2022 DETROIT EQUITY REPORT



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Message from the CEO

Bishop Edgar L. Vann, II

The city of Detroit was once a destination for Black families hoping to experience the American Dream after facing barrier after barrier in other states; both in the north and south. Businesses were thriving, schools were preparing students for lucrative jobs, there was at least one car in every driveway and homes were being built and sold in record time. The data shows that this was only a reality in some Detroit neighborhoods and suburbs. Due to segregation and discrimination that were most prominently expressed through redlining, Black, Indigenous and People of Color were barred from these neighborhoods and opportunities. Their descendants have also been barred from gaining the wealth that their ancestors could have handed down to them.



As Detroit builds back from the largest municipal bankruptcy in US history, there is an opportunity to rebuild this city with a focus on equity. There is an opportunity to ensure all Detroiters share in the prosperity of the city, region and country. Detroit Equity, Inc has compiled this report to highlight the best practices that encourage economic equity through workforce, supplier and board leadership. As you read this report, I hope that you

- **Appreciate the outsized role redlining and discriminatory lending practices have played in defining the economic potential of Detroit families and their lasting effects**
- **Understand the impact that conscious and unconscious bias play in business decisions that hinder some communities from reaching their economic goals**
- **Take this as a call to action to assess your own organization's diversity, equity and inclusion goals and programs and identify gaps that these best practices can address**
- **Pledge to share your own equity best practices to foster greater equity beyond the four walls of your organization**

I would like to especially thank Bertram Marks, Detroit Equity Inc. Co-Founder and General Counsel; Sharifa Alcendor and Fiordaliza White, Lead Authors of the report, and our DEI board members: Gary Torgow, Chairman of the Board of Directors at Huntington National Bank; Jaspreet Singh, Vice President of Corporate Services at DTE Energy; Bridget Hurd, Vice President and Chief Diversity Officer of Inclusion and Diversity at BCBSM; Jim Vell, Founder of Vella Strategic Philanthropy Group; Stephanie Washington, Director of Government Affairs at City of Detroit; and Marjorie Staten, Director of Governance at Henry Ford Health.

We hope that you will work with us to ensure equity and inclusion are at the forefront until every Detroiters in every neighborhood has access to every opportunity needed to thrive.

Message from DEI Board Chair

Gary Torgow

Chairman of the Board of Directors of Huntington Bank

I am honored to serve as Board Chairman of Detroit Equity Incorporated (DEI). The goal of DEI is to close equity gaps for our most vulnerable citizens. This goal lines up nicely with my personal values and those of Huntington Bank. At Huntington, we place a very special emphasis on Diversity, Equity and Inclusion initiatives. We are focused on improving equity in consumer and home lending, small business access to capital, community development lending and investing. Huntington prides itself on having deep rooted connections to the Detroit community. We take our role as stewards of the community's wealth very seriously. We look forward to working with Bishop Vann and the DEI team on their mission to increase diversity, equity and inclusion for low-to-moderate income families.



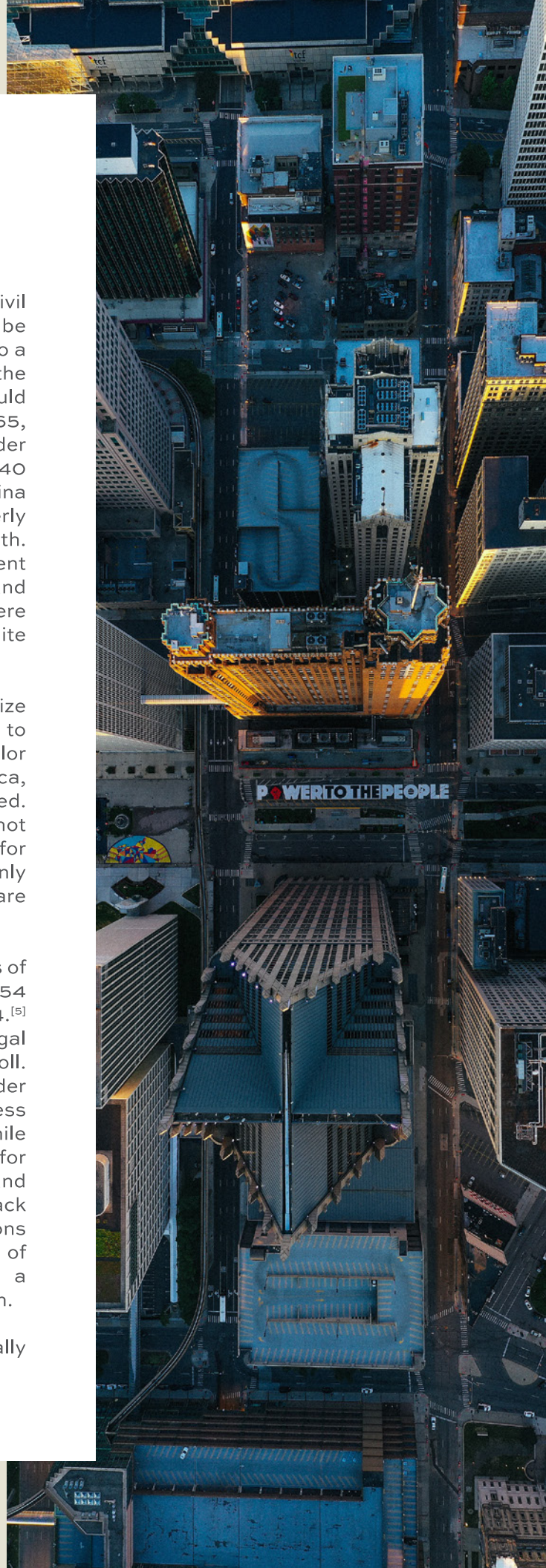
Introduction

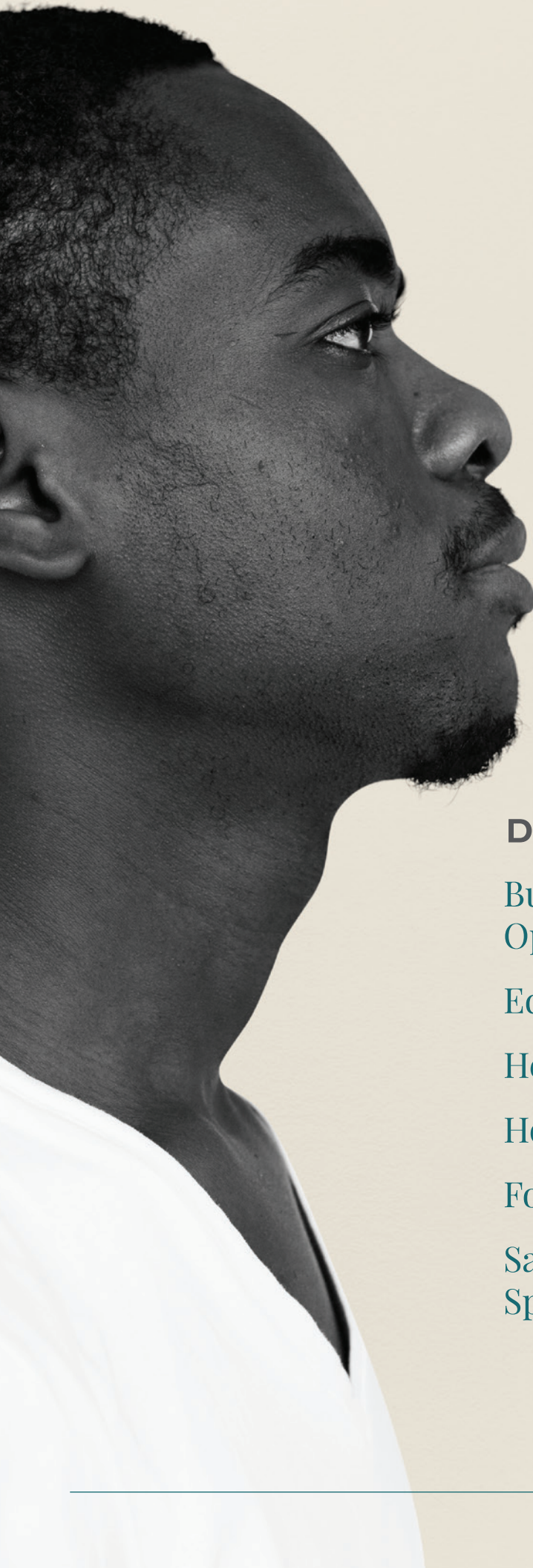
With the passage of the 13th Amendment and the end of the Civil War, there was great optimism that people of all races would be able to share in the promise that America held. There was also a recognition that after 246 years of being denied a share of the wealth they built for the country, formerly enslaved people would struggle to gain economic independence. On January 16, 1965, Union General William Sherman issued Special Field Order #15.^[1] This measure immediately granted land parcels of up to 40 acres to formerly enslaved families in Georgia, South Carolina and Florida. Over 400,000 acres were distributed to formerly enslaved people to help them begin building their own wealth. While the Special Field Order was signed into law by President Abraham Lincoln, it was quickly reversed after his death and swearing in of President Andrew Johnson. Black families were evicted from their land as it was returned or transferred to white families in the fall of 1965.^[2]

This reversal marked the beginning of an era to institutionalize and codify practices that would strengthen barriers to opportunities for Black, Indigenous and People of Color (BIPOC). When speaking of segregation and racism in America, “whites only” signs dotting southern states are often imagined. Yet, the 1896 Supreme Court Plessy v. Ferguson decision did not only embed “separate but equal” in the law in the south, but for the nation.^[3] This segregation also went beyond the white-only seating in a railway car to education, employment, healthcare and housing.

The country was unable to start addressing these expressions of institutional racism until the 1950s and 1960s with the 1954 Brown v. Board of Education^[4] and the Civil Rights Act of 1964.^[5] While significant progress has been made, the century of legal discrimination and segregation post slavery, has taken its toll. White, often suburban, communities were able to thrive under policies that provided access to home loans and grants, business loans, employment opportunities and well-funded schools. While cities like Detroit were redlined and highlighted as high-risk for federally-based loans and only deemed fit for waste dumps and high pollution industries due to their high concentration of Black residents. These exclusionary practices have prevented millions of BIPOC families from realizing the American dream of homeownership, climbing the corporate ladder, starting a business, sending their children to college, and building wealth.

The effects of these practices are still being felt today, especially in the city of Detroit.





By The Numbers...

Bias →

Discrimination ↘

Disinvestment in

Business and Employment Opportunities

Education

Healthcare

Housing

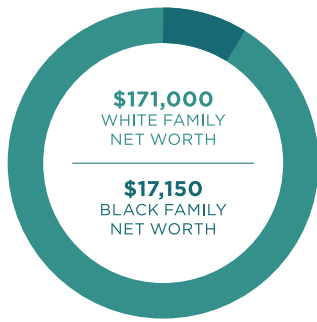
Food Resources

Safe and Healthy Spaces

Industrial Flight ↙

Redlining ↘

Highway Act of 1968 ↙



In 2016, a typical white family in the U.S. had a net worth of \$171,000, while a typical black family had a net worth of \$17,150.^[8]



A 2021 Detroit Future City study found that between 2010 and 2019 African American Detroiters saw their median income increase 8%, while white Detroiters experienced a 60% increase.^[9]

8%

COLLEGE-READY STUDENTS IN DETROIT

The Detroit Regional Chamber's 2022 State of Education report found that only 8% of Detroit students are considered college-ready.^[10]



WHITE/BLACK AMERICAN HOME OWNERSHIP GAP

The U.S. homeownership gap between white and black Americans reached a 50 year high in 2017 of 30.1 percentage points.^[11]

2018 study from the National Community Reinvestment Coalition found that 3 out of every 4 neighborhoods redlined by HOLC still experience poverty at a higher rate than neighborhoods that were not redlined.^[13] Today, formerly redlined neighborhoods still experience lower educational attainment, higher rates of food insecurity, less investments both public and private, less green space, greater exposure to environmental hazards, and worse health outcomes.^[14]

7:1

WHITE

150:1

BLACK

LABORERS/SERVICE WORKERS TO SENIOR-LEVEL MANAGEMENT RATIO

According to the 2018 U.S. Equal Employment Opportunity Commission report, the ratio of laborers and service workers to senior-level management is 7:1 for white workers but 105:1 for Black workers.^[12]



After experiencing the largest urban bankruptcy in America’s history, the city of Detroit has made significant strides in achieving economic prosperity. Unfortunately, due to these long-standing and persistent barriers, many of today’s Detroit residents are unable to fully enjoy the city’s resurgence. To address and disrupt the inequities that still exist in America today, Detroit Equity, Inc (DEI) has partnered with Detroit corporations, non-profits, government agencies, and key stakeholders to identify data driven solutions to ensure prosperity is within everyone’s reach.

This first annual DEI report provides a view into where we are as a city compared to the region and a growing collection of actionable programs that can help close these gaps in the areas of:



Workforce Diversity

Increasing the number of Detroiters and people of color represented in Detroit’s workforce



Supplier Diversity

Connecting Detroit-based and minority-owned businesses with procurement and supplier opportunities to address the wealth gap



Corporate Responsibility

Ensuring the voices of the communities served are heard and welcomed into decision-making by boosting the number of Detroiters and people of color in the pipeline for executive leadership and board positions

Workforce Diversity

Everyone has bias. The human brain can process up to 11 million bits of information every second, but our conscious minds can only handle up to 50 bits of this information.^[15]

The brain unconsciously creates shortcuts to help organize this information into familiar groupings to help make decisions and judgments about people and situations. While these shortcuts helped our ancestors quickly recognize danger and survive, they have also led to unconscious bias playing an outsized role in hiring decisions.

Hiring managers worldwide strive daily to attract and retain top talent to help their businesses thrive. They want to hire individuals that not only have the skills, knowledge, and experience necessary for the job but also are the right cultural fit for the organization. As applications are submitted, hiring managers must quickly decide who should receive an interview. With little information beyond what the applicant has chosen to highlight in their application, the human brain begins consciously and unconsciously seeking out characteristics that help them group applicants. Research shows that while many hiring managers may intend to select candidates with the required skills and experience for the job, many will unconsciously begin seeking out characteristics that they value in themselves.^[16] Attributes they believe helped them succeed in the workplace or in a specific company.

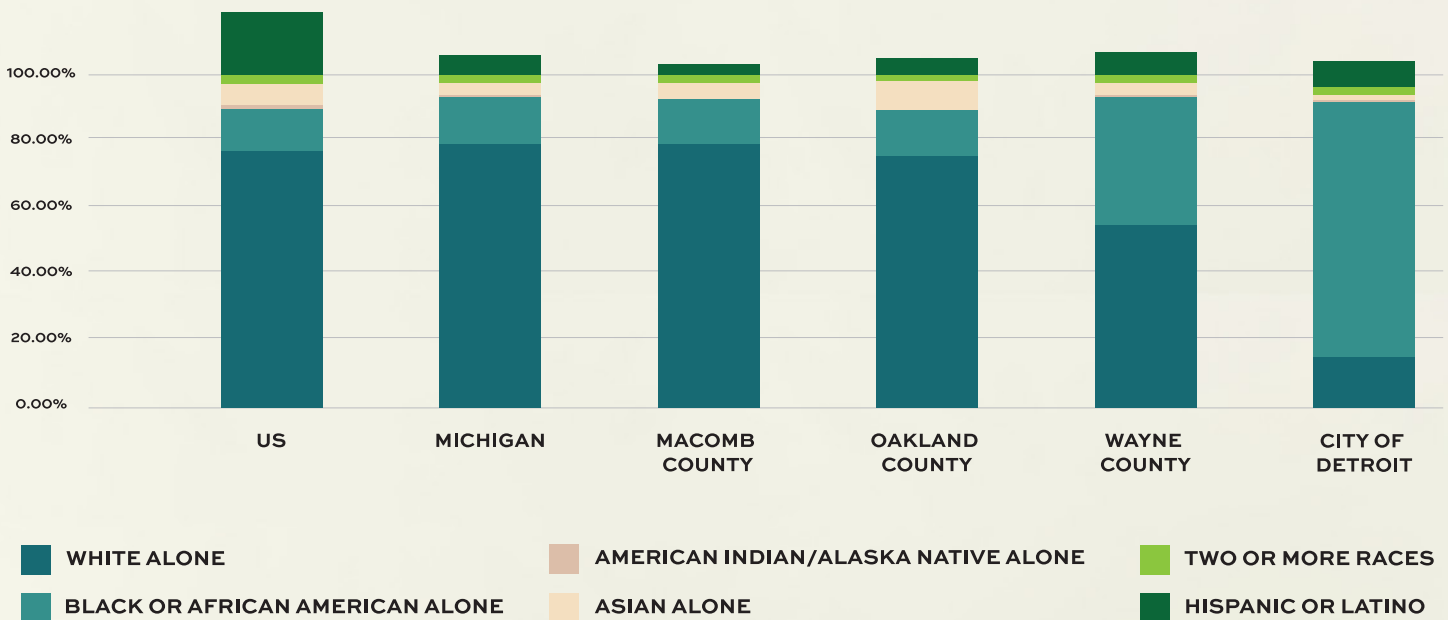
This tendency to unconsciously seek out individuals with similar values, beliefs, experiences, or even physical attributes is affinity bias.^[17] A hiring manager may focus on the applications of those that share the same alma mater, volunteer commitments, and graduation year, assuming that these commonalities will also help these candidates thrive. Competitive candidates without these commonalities can be overlooked. The risk of overlooking top talent is increasing as the country becomes more diverse and hiring managers face candidate pools where they will see fewer and fewer commonalities. At the same time, this places also candidates from historically marginalized communities at a disadvantage because they are unlikely to be represented in management that makes hiring decisions, thus significantly limiting access to employment opportunities.



FAST FACT

According to the 2018 U.S. Equal Employment Opportunity Commission report, the ratio of laborers and service workers to senior-level management is 7:1 for White workers but 105:1 for Black workers.^[12] Since the list's inception, only 19 Black CEOs have led a Fortune 500 company. Only 4 are currently led by a Black CEO.

Population of Southeast Michigan by Race^[19]



Hiring Practices

From an application alone, hiring managers can make several assumptions about the candidate that could bolster their chances of being hired or eliminate them from the hiring process completely. There are several strategies in place across the country that have been shown to mitigate bias in the hiring, including:

- ▶ Diverse interview panels
- ▶ Removal of college degree requirements
- ▶ Establishment of internships and apprenticeships
- ▶ Development of Employee Resource Groups

After submitting 83,000 applications to 100 Fortune 500 companies across the country from applicants with “white-sounding” names and applicants with “black-sounding” names, University of California Berkeley and the University of Chicago researchers found that **applicants with “black-sounding” names were 10% less likely to get an interview.** ^[20]

A 2018 AARP Value of Experience Study found that **2 out of 3 workers over 45 years old reported age discrimination in the workplace.** ^[21] **Women were also 30% less likely to receive a callback for a job than men.** ^[22]



Diverse Interview Panels

To thoroughly assess a candidate and mitigate bias in the interview process, organizations have recommended and even required diverse interview panels in their hiring and promotions processes.^[23] With the introduction of diverse interview panels, Intel experienced an increase from 31% to 45% in hiring women of color. Cisco's experience found that the panels increased the likelihood of employment by 70% for African-American women.^[24] These panels offer an opportunity to inject diversity of thought, background, experience, and perspectives into the evaluation.

A lone hiring manager is more susceptible to affinity bias and is more likely to seek out candidates similar to themselves. Diverse interview panels that include diversity in interviewer age, gender, race, and ethnicity helps to

- ▶ Showcase the organization's commitment to diversity and inclusion to the candidate
- ▶ Provide a greater opportunity for the candidate to build rapport with at least one interviewer
- ▶ Provide a well-rounded assessment of the candidate
- ▶ Provide a variety of insights when debriefing responses

While diverse interview panels help mitigate some bias, there is still an opportunity for bias to impact the group's decisions. To further address these biases, interview teams should be equipped with standardized questions and scorecards to ensure all applicants have a similar experience and a shared list of the positions needed competencies.



Removing Educational Attainment Barriers to Employment

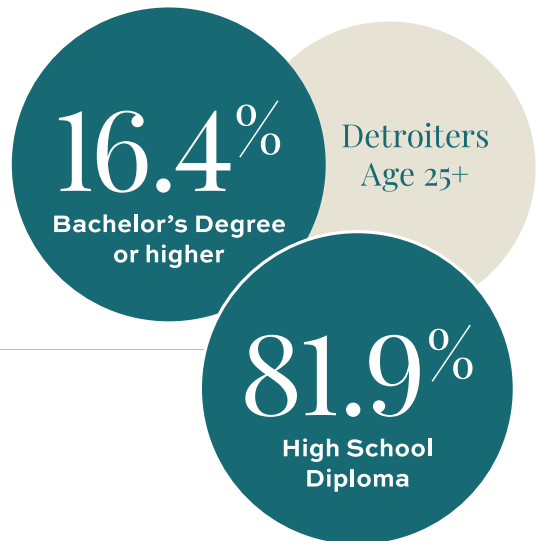
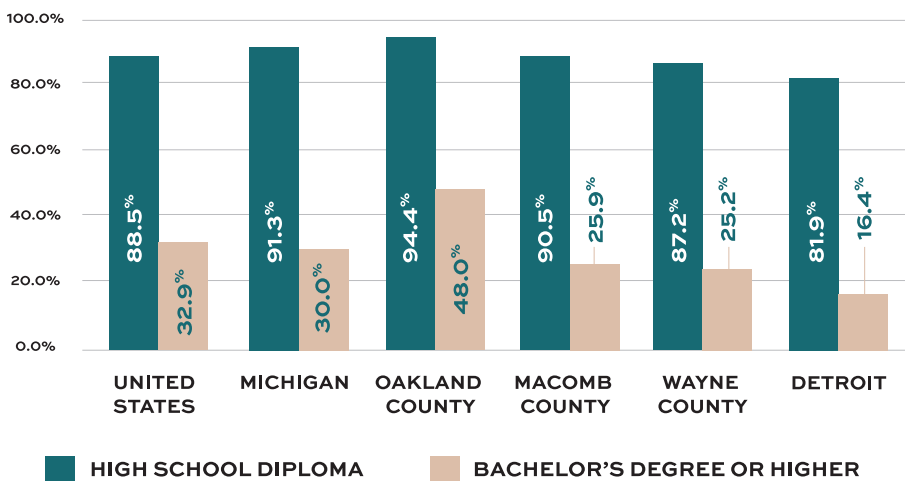
These statistics place Detroit residents at a disadvantage at a time when new degree requirements have been steadily added to job descriptions over the last decade. COVID-19 has significantly tightened the job market, forcing many companies to rethink their employment requirements to be more inclusive. Now the idea of degree-based recruitment as fixed criteria has begun to not only enter into an antiquated space but also lends itself to ongoing bias and social class isolation hiring practices that further hinder a company's ability to cast a larger net for potential candidates.

General Motors^[25], IBM, Dell Technologies, and Bank of America^[26] have all dropped their degree requirements for many of their positions. They instead focus on skills and relevant experience and have a focus on providing access to both internal and external educational opportunities to address knowledge gaps. These steps have significantly expanded and increased the diversity of their candidate pools.

In addition, identifying skills, instead of education alone, allows for a long-term strategic approach to employing individuals as they can be seen in multiple roles within the company should the need for advancement or reorganizing arise. Looking towards more skill-based versus straightforward degree requirements allows for more flexibility to adapt to changing needs.

Educational Degree Attainment

Age 25 and older^[19]



Internships & Apprenticeships

The National Association of Colleges and Employers (NACE) reported that minority students are at a larger disadvantage for internships and paid internships than white students, who are overrepresented in paid internships. NACE reports a 2019 account of 6.6% participation for graduating seniors of color with only a 6% paid internship opportunity, compared to 7.3% representation in unpaid internships.^[27] Minority students continue to be overrepresented in unpaid internships and opportunities to intern. This results in working adults of historically marginalized communities having less experience in the career fields of their choice and less advancement across their long-term career paths.

Apprenticeship programs, in particular, offer the opportunity for individuals that have often not obtained a 4-year degree to combine classroom instruction and on-the-job training to build the skills needed for a specific position. Since 2015 the U.S. government has invested over \$800 million in apprenticeship programs and added 200,000 registered apprenticeships.^[28] Apprenticeships are no longer reserved to blue-collar jobs and careers in skilled trades. Companies in the healthcare, automotive, and technology industries have embraced apprenticeships as a viable way to ensure they will have skilled staff ready to fill their ever-evolving business needs.

Apprenticeships with a clear focus on diversity and inclusion have also led to increased hiring of women and underrepresented minorities. These opportunities allow participants to:

- ▶ Forge mentoring relationships
- ▶ Expand professional networks
- ▶ Provide work experience to help candidates advance their careers
- ▶ Apply lessons learned to real-world business challenges

Effective apprenticeships also hold the promise of greater long-term earnings and the potential to build wealth. A recent U.S. Department of Labor study found individuals that complete an apprenticeship earned an average annual income of \$60,000.^[29] To increase workforce diversity and address this participation gap, some companies have also focused on diversity in their recruitment of apprentices. Their activities include:

- ▶ Advertising apprenticeships with organizations that serve historically marginalized communities
- ▶ Assigning mentors and sponsors
- ▶ Offering competitive compensation packages
- ▶ Explaining career opportunities the apprentice will have
- ▶ Focusing on the skills and knowledge necessary to advance their careers

Establish Employee Resource Groups (ERGs)

Employee Resource Groups, or ERGs, are programs built within companies that are employee-led and voluntary.^[30] These individuals form groups that foster safe, inclusive, and equitable spaces to discuss many topics, including how an organization's mission, values, and business practices are implemented within the workplace. These spaces hold room for discussions centered around employee community building with those who identify as belonging to underrepresented groups. The goal of these groups is to provide a space for individuals from historically marginalized communities to build through idea sharing, strategic planning, or simply discussing grievances and brainstorming opportunities to increase equity.

Traditionally, ERGs are comprised of individuals belonging and self-identifying as persons who are underrepresented in race, ethnicity, physical abilities, faith or religion, gender identity, sexual orientation, age, socioeconomic status, and many other dimensions of diversity. They aim to provide a space for minority participants to find a sense of community. This sense of belonging helps to increase employee engagement and retention. Groups like this also offer individuals interactive ways to address some of the otherwise silenced concerns shared across minority groups. In doing so, individuals are able to contribute to improving the organization and allows leaders to increase their 'pulse' on their company's needs directly from those most affected.



Best Practices

- With the introduction of diverse interview panels, Intel experienced an increase from 31% to 45% in hiring women of color. Cisco's experience found that the panels increased the likelihood of employment by 70% for African-American women.
- General Motors, IBM, Dell Technologies, and Bank of America have all dropped their degree requirements for many of their positions to increase opportunities for communities plagued by poor education systems.
- Henry Ford Health has developed several apprenticeship programs for pharmacy technicians, nurse assistants, and eye care assistants aimed at providing career development opportunities for new hires and existing team members to advance their careers with a focus on diversity. In 2021, more than 75 participants completed the program.
- After launching an equity focused apprenticeship program, Accenture found that 80% of the 1,200 individuals hired for entry-level technology positions from the program were hired into the company without a four-year degree.

Board Diversity

Existing board members often nominate individuals that they know and trust. They need to have confidence that the person they are nominating has the knowledge, skills, talents and experience to add value to the organization. This trust is usually built over time with individuals in their existing professional and social networks. This common practice places individuals from historically marginalized groups at a distinct disadvantage. They are often absent from these networks and then lack access to these opportunities to serve on boards.^{[31][32]}

People are often unconsciously drawn to individuals most like themselves. Those responsible for recruitment begin to seek out characteristics that are already present in the group to achieve a presumed cultural fit. This affinity bias often results in the recruitment of homogeneous groups.^[17]

These companies then miss out on many of the benefits that diverse boards enjoy; including:

- ▶ Access to members that have a deep understanding of the communities the organization serves
- ▶ Exposure to broader perspectives that help avoid 'group think'
- ▶ Input that helps avoid alienating diverse, future markets and talent
- ▶ Strong messaging to the community that their voices are valued and included

The inclusion of board members with different backgrounds and life experiences not only leads to more in depth and meaningful discussions, but also adds value to the bottom line. A study from Chaney report found that CEOs were more likely to be held accountable for poor stock prices when their board was more diverse.

The Carlyle Group also found that boards with a least two members that identified as a woman or person of color experienced 12.3% earnings growth compared to only 0.5% growth for boards with no diversity over the same period.^[34]

In 2018, women of color made up only 4.6% of Fortune 500 board members. In 2019, ethnic minorities in the United States only made up 10% of Russell 3000 board members. If this practice continues, women and people of color will continue to face significant barriers in reaching the highest levels of corporate America.^[33]



Complete a Board Assessment

As boards are refreshed, there should be a clear focus on ensuring the board will include individuals that hold the competencies and experience needed to help the organization thrive over the next several years. Seeking out the same kind of candidates from the same candidate pools will yield the same results. This strategy does not foster resilience and growth of a company in ever-evolving markets. Instead, organizations must first, honestly explore the strengths and weaknesses of their board and identify any gaps in knowledge and expertise. Identifying and clearly defining these gaps and the competencies needed to fill them gives someone the opportunity to not only sit on a board, but make meaningful contributions. The focus then shifts from filling an open spot, to fulfilling a true organizational need.

Set a Goal

Many boards that reached their goals to increase diverse representation then developed an explicit numerical goal to capture the many voices of the communities they serve.^[36] They were intentional in creating a diversity goal that aligned with their specific business goals and addressed the needs of the community to be heard and included. These goals included increasing the number of women, increasing the percentage of board members of color or those under the age of 40, and ensuring that all board members received unconscious bias training to support future board recruitment activities. Setting these goals and developing a shared understanding with all board members helped committed organizations develop a well-rounded, heterogeneous team.

These goals should not be the responsibility of nominating committees alone. These efforts will need the support of all board members to not only help search for new candidates but also help create a welcoming environment where new board members have a genuine sense of belonging and existing board members understand the value of their contributions.

Diverse Candidate Slates

Organizations have also found success with the introduction of diverse candidate slates to increase board diversity. This recommended and sometimes required step ensures that each slate of candidates has at least one potential board member that is a woman or person of color. This tactic ensures that more under-represented minorities have a chance to show their passion to serve on the board during an interview. And as the diversity of the interview candidate pool increases, the likelihood of a person from an underrepresented group being selected also increases. Inclusion also has the added benefit of exposing existing board members to the new insights from candidates that challenge long-held assumptions and beliefs on how organizational challenges can be approached and addressed.

CASE STUDY

Henry Ford Health

Initiative

With the leadership of the former President and CEO, Wright Lassiter, a committed Nominating Committee and other internal leaders, a goal was set to increase board diversity. The Committee met 2-3 times each year together with key executives and leaders to assess the board's composition. Annually, the Committee reviews the collective demographics, competencies and diversity mix of the existing board members compared to the enterprise's service areas to assess gaps and areas of opportunity. The Committee members and internal leadership then recommended candidates who could help the organization fill in those gap areas. With a committed, focused approach coupled with the "tone at the top", the organization was able to assemble a board that reflects the patients and the communities it serves.

Outcome

Henry Ford Health created a diverse, world-class board for 2022



Supplier Diversity

With the hope of more economic opportunities and to escape the injustices of the Jim Crow south, millions of African American families started moving to northern states. Factories were growing and welcomed new residents to keep production lines in motion. However, African Americans faced new and existing challenges including deindustrialization, segregation and the aftermath of white flight.

After World War II and the introduction of a global market, many cities across the country began to experience the impact of urban deindustrialization. New technologies in the automotive industry and the expansion of highway

programs allowed companies to move away from port cities and into suburban areas. White families quickly followed companies and the jobs they offered into the suburbs with the help of several federal housing programs. From 1960 – 1969 the city of Detroit lost more than 150,000 jobs. In the same decade, Detroit lost about 10,000 residents each year.^[37] The health of the city declined even further after the 1967 Detroit Uprising. Hundreds of businesses were left looted or completely destroyed and hundreds more families fled.

African Americans did not have the same opportunities to move their businesses and families

to more attractive neighborhoods. Limitations set by the Federal Housing Authority, restrictive covenants, discriminatory loan practices, and bias hindered entrepreneurship and prevented business growth in African American communities.^[38] These effects are still being felt today.

A diverse supplier is a business that is at least 51% owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group. These include women-, minority-, veteran-, LGBTQ-owned businesses and small businesses (collectively known as MWBEs). Many companies have chosen to live their commitment to equity through their supplier diversity efforts and are actively expanding business opportunities into historically marginalized communities to spur job growth and wealth creation while fostering innovation and reducing costs.

Every \$1 million spent with diverse suppliers creates 17 new jobs, and every dollar spent creates \$1.97 in total economic impact.”^[39]



Develop Partnerships

Increasing diverse supplier spend starts with a diverse vendor pipeline. There are several organizations with the mission to serve the needs of diverse suppliers. These organizations can be invaluable in helping find vendors that can meet a company's unique business needs. They are also several networking organizations that have been established to expand the professional networks of diverse suppliers and business owners to keep abreast of new business opportunities, collaboratively address barriers to business growth and provide professional development opportunities. These organizations include 100 Black Men, the National Urban League, The Michigan Hispanic Chamber of Commerce, and the National Minority Supplier Development Council.

Tier 2 Supplier Programs

Companies across the country pledged to support MWBEs and have made efforts to engage more diverse suppliers with varying results. Some have found that many MWBEs are small businesses that lack the resources to compete with larger, more established, often incorporated companies. Yet, these companies have still created new opportunities through Tier 2 supplier programs and made progress towards their goals. Companies contract directly with Tier 1 suppliers for goods and services. These suppliers then subcontract with other companies for the resources they need to fulfill the terms of their contract. This strategy has opened the door to many small businesses to grow.

After outlining a commitment to supplier diversity, the Billion Dollar Roundtable found their consolidated Tier 2 diverse spending of corporate members was \$22 billion in 2016^[37]

Inclusive Bidding Process

As with efforts to increase workforce and board diversity, bias can significantly hinder progress towards reaching supplier diversity goals. Buyers may be unconsciously drawn to business owners and representatives with whom they share characteristics, experiences, and social and professional networks. To address this barrier some companies have seen success in requiring at least one MWBE in their bidding process. This practice in no way guarantees that a contract will be awarded to an MWBE, but it does give these companies the opportunity to showcase the quality of their products and compete. Some companies employ this practice for contracts valued over a certain dollar amount. Others require an MWBE in all bids and requests for proposals.

In addition to providing a profitable business opportunity to an MWBE that secures a contract, it also presents a learning experience for those that do not. Companies are always looking for new opportunities to secure new business and increase revenue, but often lack the knowledge of what steps to take next to scale. Small businesses in historically marginalized communities are often at a greater disadvantage due to the limited number of thriving business owners in their communities that could provide mentorship. When constructive feedback outlining key areas for improvements is provided, these businesses can be better prepared for the next opportunity.

Monitoring and Assessment

A 2020 Gartner Supplier Diversity report found that 80% of organizations surveyed had a goal of reaching 10% spend with diverse suppliers and regularly tracked their progress.^[40]

Over time new opportunities and challenges arise for businesses and new priorities are established. Initiatives and programs that are regularly tracked and monitored by a company's senior leadership remain top of mind. At DTE Energy, all directors and above are provided with a weekly report tracking supplier diversity results compared to goals. They have consistently been able to exceed their goals for the last 5 years.

Measures of success vary across industries and companies. Diverse spend as a percentage of total spend gives a small view into a company's supplier diversity efforts, but does not capture the full economic impact of those efforts on the communities served. Some companies have chosen to go a couple steps farther to track jobs created or sustained, cost savings, and contributions in taxes and wages.

Create a Committee of Supplier Champions

Achieving supplier diversity goals requires sustained attention, effort and evaluation. It is easy for siloed programs to fall to the wayside, as institutionalized policies and processes proceed to address the many contracts that are renewed often every one to three years. This creates several opportunities to gain new diverse suppliers, but also presents as many risks of losing existing suppliers every contract cycle. The individuals that make the buying decisions of the organizations must know the supplier diversity goals, understand why they are important, anticipate when the next contract opportunity will be released and have a ready, diverse supplier pipeline in place to submit competitive bids.

This can be overwhelming for individual buyers and foster a reliance on existing suppliers that previously met business objectives. Creating a council or committee of supplier diversity champions that are responsible for buying decisions can help address some of the challenges that often hamper supplier diversity efforts.

Vendor Mentoring

Vendor development is a key component to ensuring a strong pipeline of diverse contract-ready suppliers. Business needs change and suppliers must stay abreast of the challenges their customers face and have ready solutions to address them. In 2015, Toyota launched a supplier mentoring program focused on engaging and developing MWBEs.⁽⁴¹⁾ The year-long program matches an average of 44 business owners with seasoned Toyota executives to

- ▶ Identify the MWBE's strengths to leverage and weaknesses to address
- ▶ Showcase the MWBE's products to executives that make contracting decisions
- ▶ Develop a deeper understanding of how Toyota does business to produce more competitive bids and offerings
- ▶ Expand professional networks

Accenture's 18-month Diverse Supplier Development Program⁽⁴²⁾ and DTE Energy's 12-month program also help executives gain new insights into their business and learn about emerging business practices.



Best Practices

- Turner Construction and KEO & Associates, a minority-owned company headquartered in Detroit, formed a joint venture to build the Henry Ford Health Cancer Center.
- General Motors took the unique step of launching one of the nation’s first supplier diversity programs in 1968 with the aim of developing a pipeline of competent minority-owned companies ready to meet their business needs while simultaneously investing in the communities that buy their products and services.^[43]
- DTE Energy has a keen focus on achieving its supplier diversity goals. Going beyond quarterly or monthly reports, DTE Energy distributes weekly supplier diversity reports to ensure these goals remain a priority for director-level leaders and above. Identified gaps and opportunities are then shared with DTE Supplier Diversity Advisory Councils that engage MWBEs, business chambers, and local stakeholders to help strengthen policies and practices that foster competition and inclusion. These and other equity-focused practices have helped DTE exceed its supplier diversity goals for the last 5 years.
- Every year Blue Cross Blue Shield Network of Michigan hosts its Supplier Diversity Achievement Awards recognizing employee groups and vendors that went above and beyond to help achieve supplier diversity goals and objectives. These awards help underscore inclusion as a company-wide priority and highlight practices that are working to ensure high-level opportunities are open to all businesses.
- In addition to having a Supplier Diversity Policy outlining a commitment “to maximize MWBE participation through the development of mutually beneficial business relationships”, Wayne State University also has dedicated vendor relationship specialists focused on building a diverse vendor pipeline to support university-wide diverse spend goals.

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This report was completed with the generous support of

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