

Four Ways Supplier Diversity Helps You Win in Construction

Written by: Stephanie Sherwood, Supplier Diversity Program Manager, Weston Solutions

As the construction industry continues to evolve and grow domestically and abroad, savvy firms are seeking innovative ways to gain a competitive edge and drive growth. Particularly for publicly-funded projects, construction firms are tasked with providing their clients with the best value, while supporting the local communities and workforce.

Focusing on supplier diversity helps do just that. In practice more local, small, and underrepresented trade partners and suppliers broadens a firm's supply chain. That has real business advantages by creating other procurement options that go beyond traditional channels.

With over three decades of experience in government contracting and socioeconomic programs, I've found that robust supplier diversity programs have proven to be big winners in four key ways: They maximize opportunities, increase your ability to pivot on the fly, are socially and economically responsible, and boost employee morale.

MAXIMIZE OPPORTUNITIES

Supplier diversity is a smart business tactic for construction firms seeking government contracts. Federal, state, and local governments have established programs and policies to promote the use of businesses owned by underrepresented groups, including socially and economically disadvantaged individuals, women, minorities, veterans, and persons with disabilities.



Construction firms that demonstrate a commitment to maximizing supplier diversity in the projects they execute are not only complying with government initiatives but are increasing their chances of securing lucrative government contracts and follow-on projects.

For example, the U.S. Department of Defense (DOD) requires all large business contractors to reserve a minimum level of their first-tier subcontracting for small and diverse businesses when proposing on prime contracts. These commitments to use diverse small businesses are evaluated by the DOD and are often considered more significant than the offeror's price for performing the project. If your commitment and approach to supplier diversity are not evaluated as favorable, your entire proposal may be found unacceptable or noncompliant with the

government's expectations.

Many government programs offer support and resources to help companies develop and implement effective supplier diversity programs. The U.S. Small Business Administration, as well as many commercial, state, and local government entities, maintains resource partners that provide market research, outreach, and other developmental assistance to maximize supplier diversity.

Embracing and encouraging supplier diversity is a strategic approach that unlocks significant economic and social benefits, while aligning with important government initiatives that fuel our nation's infrastructure and long-term stability.

INCREASED PIVOTING CAPABILITIES

Diverse trade partners and suppliers are known for their agility and adaptability. Many niche providers can react swiftly to market shifts and business fluctuations, providing construction firms with enhanced flexibility and resiliency. This agility can be particularly beneficial in an industry where projects often face unexpected challenges and changes, particularly as government budgets are allocated and client priorities evolve.

By partnering with small and medium-sized enterprises, you can quickly adapt to these situations, minimize delays, offer creative solutions, and keep projects on track. This translates directly to project success, while upholding commitments to follow through on client-driven initiatives.

BE ECONOMICALLY AND SOCIALLY RESPONSIBLE

Imagine the impact that your construction company can have by reaching beyond your usual partners and supplier network.

By engaging with diverse trade partners and suppliers, construction firms stimulate economic growth in underrepresented communities and, ultimately, strengthen and support stability in the overall economy.

Additionally, these diverse enterprises often provide competitive pricing, industry expertise, and innovative solutions that can streamline your projects, potentially leading to expedited delivery schedules and cost savings. Supplier diversity encourages teaming and collaboration, which in turn can even unlock new markets and customer segments, propelling your company's revenue growth.

Furthermore, supplier diversity can level the playing field, ensure regulatory compliance and safeguard your company from potential legal issues related to discrimination and unfair business practices.


BOOST EMPLOYEE MORALE

As someone who has implemented and maintained a progressive supplier diversity program, I recognize its power in boosting employee morale and fostering inclusivity within our firm.

Actively seeking out and partnering with diverse trade partners and suppliers sends a clear message: Our firm values diversity not only within its workforce but throughout its operations and supply chain. This, in turn, instills pride among our employees, knowing that they are part of an organization that champions diversity and inclusivity.

Moreover, it can inspire employees to bring their unique ideas and perspectives to the table, motivating innovation and growth. An effective and proactive supplier diversity program can be a potent tool for boosting morale and promoting a culture of inclusivity and respect.

By embracing supplier diversity, construction firms can unlock a wealth of benefits in addition to cost efficiencies – from increased innovation and agility to social responsibility and a highly-engaged workforce.

It's a winning strategy that strengthens communities and local economies, ensures compliance and client satisfaction, and propels business growth in today's competitive landscape. 



About the Author

Stephanie Sherwood is a supplier diversity program manager for West Chester, Pennsylvania-based [Weston Solutions](#) with over 35 years of contracting and socioeconomic program experience.

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