

# 05. Pou Tuarima - Rautaki Strategy

Supplier diversity shouldn't be relegated to an afterthought or side project—it should take centre stage.

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This article is five of six in  
our Tere ki Tai impact series



# Aligning strategy for supplier diversity

Supplier diversity shouldn't be relegated to an afterthought or side project—it should take centre stage. This means ensuring that it is a core value or principle in the strategic alignment of an organisation.

In the context of supplier diversity, strategic alignment refers to how organisations strategically embed the practice of supplier diversity. This includes the organisation's commitment towards fostering Māori and Pasifika businesses, through formal strategies, policies, and a dedicated budget. Let's delve into these key features.

## ① Strategy and planning

It is essential to align supplier diversity efforts with broader business objectives to ensure that diversity initiatives contribute directly to company goals. Organisations should establish a supplier diversity and development strategy and incorporate it into procurement plans. Supplier diversity should be a strategic goal for the organisation, mentioned in all key organisation strategies.

Developing a strategic plan with the intention of establishing supplier diversity as a strategic goal of the company and executing that goal demonstrates a commitment to fostering Māori and Pasifika businesses. This isn't just a plan, it's a manifesto- a bold statement of where your organisations values and priorities lie.

The development of a strategic plan serves as an enabler, ensuring that supplier diversity is not just a stated goal but an actionable priority. It transforms supplier diversity from a mere statement into a concrete action plan and goal that will be executed.

**“The processes, systems and policies organisations follow can be a major enabler or barrier to supplier diversity”**

(National Minority Supplier Development Council, 2015)

## ② Policy

In addition to a strategy, having a policy is crucial. Organisations need to develop a supplier diversity policy with specific targets to set a clear



mandate for the organisation.

Policies don't just set standards; they define excellence. They provide a roadmap, guiding decisions and behaviours to make sure that supplier diversity isn't just a goal, but a fundamental principle embedded in the organisation's culture.

**“The focus of corporate policy is to ensure the organisation focuses on supplier diversity and that governance drives results”**

(Billion Dollar Roundtable, Inc., 2012)

In addition, supplier diversity policy helps align organisational efforts with broader strategic goals. By formalising commitment to supplier diversity, the policy ensures that efforts in this area are not ad hoc but integrated into the organisation's overarching objectives.

## ③ Budget

A dedicated budget for supplier diversity is essential. Experience shows that without a specific allocation, supplier diversity and broader outcomes initiatives are often the first to be cut when budgets are tight. Having a dedicated budget not only ensures that these initiatives are prioritised but also signals a strong commitment to them as key organisational goals or principles.

A budget isn't just money; it's money with intention.

Having a dedicated budget increases the likelihood of successful implementation. When there's money set aside for something, there's a clear intention to follow through. It provides the resources needed to support supplier diversity programmes, including funding for outreach, training, and development initiatives

**“Having a budget set-aside to support social procurement activity ensures it is resourced to happen”**

(Short, et al., 2019)

Budget ensures strategies and policies are not just aspirations but actionable plans with the necessary resources behind them.



# In conclusion

In this perspective, supplier diversity isn't merely an afterthought; it takes centre stage. It's about acknowledging the unique value that diverse suppliers offer and using that value to fuel innovation, creativity, and success.

Strategic alignment of organisational efforts to develop Māori and Pasifika businesses is crucial for the success of supplier diversity initiatives. By implementing formal strategies, policies, and dedicated budgets, organisations can integrate practices into their core operations and push their journey with supplier diversity.



## References

Billion Dollar Roundtable, Inc., 2012. Billion Dollar Roundtable, Inc. Supplier Diversity Best Practices, Dallas, Texas: MBN Custom Publications.

National Minority Supplier Development Council, 2015. How to guide to develop a corporate minority business development program, New York, USA: NMSDC.

Short, S., Foote, J. & Ruckstuhl, K., 2019. Understanding the viability of social procurement for indigenous communities in New Zealand, Dunedin, NZ: Aukaha.

# Tere ki Tai

Tere ki Tai Buyer Maturity Matrix is a powerful framework designed to inspire and guide organisations towards becoming global leaders in supplier diversity.

Tere ki Tai sets a benchmark for supplier diversity maturity in Aotearoa. It provides a way to measure how well organisations have progressed and improved across supplier diversity indicators.

This article references one of the six **Ngā pou o Tere ki Tai | The Pillars of Tere ki Tai: Rautaki | Strategy.**



Start your Tere ki Tai journey by contacting your Supplier Diversity Lead or our Capability Manager, **Paul Tukukino** directly [paul@amotai.nz](mailto:paul@amotai.nz)