

TOOL SUITE 2

WOMEN-OWNED BUSINESSES AND THE SUPPLY CHAIN

Tools to help companies identify and develop women-owned suppliers and suppliers with significant numbers of female employees



↓ **OVERVIEW:** Supply Chains, Local Procurement, and Women-Owned Businesses in the Infrastructure and Natural Resources (INR) Sector

↓ **TOOL SUITE 2:** Tools to Integrate Women-Owned and Gender-Diverse Businesses into the Supply Chain

↓ **TOOL 2.1:** Road Map for Using Tools in Tool Suite 2

↓ **ASSESS AND PREPARE:** Tool 2.2

↓ **TOOL 2.2:** Self-Assessment of Supply Chain Gender Diversity and Inclusion

↓ **ADDRESS:** Tools 2.3–2.9

↓ **TOOL 2.3:** Considerations in Defining Criteria for ‘Women-Owned Businesses’

↓ **TOOL 2.4:** Developing the Business Case for Increasing Engagement with Women-Owned Businesses

↓ **TOOL 2.5:** Developing a Code of Conduct for Increasing Engagement with Women-Owned Businesses

↓ **TOOL 2.6:** Developing a Comprehensive Gender Diversity Supply Chain Program

↓ **TOOL 2.7:** Support Development of Local Women-Owned Businesses

↓ **TOOL 2.8:** Guidance Note on Women-Owned Businesses and Public Procurement in Cities

↓ **TOOL 2.9:** Sample Needs Assessment Questionnaire to Develop a Coaching Program for Women-Owned Businesses

↓ **MONITOR AND SUSTAIN:** Tool 2.10

↓ **TOOL 2.10:** Indicators to Monitor Progress on Supply Chain Gender Diversity Goals

↓ **SELECTED RESOURCES FOR FURTHER READING**

APPLICABLE IFC PERFORMANCE STANDARDS

PERFORMANCE STANDARD 1. Environmental and Social Sustainability

Where they can reasonably exercise control, employers are responsible for the risks and impacts associated with their supply chain.

PERFORMANCE STANDARD 2. Labor and Working Conditions

This standard addresses (but is not limited to) the obligation of companies to promote fair treatment and non-discrimination of workers, to promote compliance with national employment and labor law, and to promote health and safety of works. These standards include for workers employed by third parties, i.e., in the supply chain.

OVERVIEW: Supply Chains, Local Procurement, and Women-Owned Businesses in the Infrastructure and Natural Resources (INR) Sector

Infrastructure companies and urban service providers typically work closely with a range of subcontractors, from small local firms to larger national or international partners. These subcontractors represent many jobs tied to the infrastructure and urban sectors and are important partners in ensuring that these sectors create economic benefit for both men and women. Many already prioritize local hiring in their procurement plans and policies because they recognize the significant benefits that can come from working with local suppliers¹—not only does doing so support local economic development and demonstrate commitment to local growth and partnership, it also fosters local innovation, entrepreneurship, and competition. While companies that want to hire locally can be limited by the existing local capacity, those that go further to cultivate a more diverse supply chain that includes women-owned businesses can reap the benefits of strengthened supply chains, reduced procurement costs, and lower overall costs. For some companies, developing a diverse supply chain requires additional investment or modification to procurement procedures, but evidence shows this investment pays off in terms of local relationships as well as business benefits.

Companies that go further to cultivate a **more diverse supply chain that includes women-owned businesses** can reap the benefits of strengthened supply chains, reduced procurement costs, and lower overall costs.

Reasons for the Lack of Diversity in Infrastructure and Urban Supply Chains

Representation of women-owned businesses in the corporate infrastructure supply chain remains limited, mirroring similar gaps in public procurement. Several factors contribute to these gaps. Starting with the demand side of the equation, companies may have trouble identifying women-owned businesses that are locally owned and meet their procurement needs. Companies may not see a business case for making the extra effort to reach out to women-owned businesses. And companies might not know how to go about incorporating women into supply chains in a meaningful and cost-effective way.

On the supply side, one reason for the lack of engagement with women-owned businesses could be that local women-owned businesses are typically small and often

¹ Jackie VanderBrug, [“The Global Rise of Female Entrepreneurs,”](#) Harvard Business Review, September 4, 2013.


concentrated in just a few industry sectors. In many contexts, particularly where women have more limited access to finance, women-owned businesses struggle to find the capital to scale up sufficiently to meet procurement requirements for major companies. For example, smaller companies might struggle to provide all the services requested when the larger firm that is issuing bids bundles contracts together. Smaller companies also might not want to accept a job when the contract terms involve delays between completion of work and time of payment. And local women-owned businesses often lack access to the same business and community networks that male-owned businesses do, meaning that they might not know about upcoming tender opportunities and might also have a harder time competing against more networked competitors.

Just as **TOOL SUITE 1** addressed how companies can improve representation of women in their own workforce, this tool suite outlines the benefits that can come with a gender-diverse supply chain and the reasons that a proactive gender-diverse supply chain policy can yield positive results. It offers strategies for companies that want to build stronger connections with women-owned businesses and increase the number of women-owned contractors in their supply chain. It also highlights ways that companies can support the development of local women-led businesses so they are procurement-ready for integration into the supply chain. (For additional information on developing local women-owned businesses through community engagement strategies, please see **TOOL SUITE 3: Tools to Address Gender Equality in Community Engagement**, **TOOL 3.13: Create Local Economic Development and Empowerment Opportunities for Women** and **TOOL 3.14: Guidance Note for Building a Women’s Entrepreneurship Community**.)

The Business Advantages of Supplier Diversification

Supplier diversification—promoting the use of women-, local-, and minority-owned suppliers in the supply chain—is becoming an increasingly important trend in procurement because of the potential for positive bottom-line impacts and local community development. Studies have shown that companies that prioritize supplier diversity have a 133 percent greater return on procurement investments, spend 20 percent less on buying operations, and have considerably smaller procurement teams than those with lower supplier diversity.

Studies have shown that companies that prioritize supplier diversity...

-  have a **133% greater return on procurement investments**
- spend 20% less on buying operations** 
-  and have **considerably smaller procurement teams** than those with lower supplier diversity.

operations, and have considerably smaller procurement teams than those with lower supplier diversity.² According to the United Nations, supply chain diversity can:

- Increase competition between vendors and thus drive down costs
- Facilitate innovation and collaboration with smaller suppliers on more customized products
- Improve corporate reputation and relationships with the community³

A recent IFC study notes that women-led businesses in the supply chain “result in stronger and larger supplier networks that contribute to higher input quality and more competitive prices over time.”⁴ And for consumer-facing companies, suppliers that reflect the diversity of the customer base can help to more quickly anticipate, innovate, and adapt to changing user needs.⁵

A recent IFC study notes that women-led businesses in the supply chain “result in stronger and larger supplier networks that contribute to **higher input quality and more competitive prices over time.**”

One reason for such convincing data is that globally, women-owned businesses are growing faster than male-led businesses. The number of women-owned firms in the United States grew twice as fast as all privately owned U.S. firms between 1997 and 2006. Growth in women-owned businesses increases options for companies looking for suppliers, which can help keep bottom line costs down. Thus, companies that proactively encourage and support women-led businesses to compete for contracts have the opportunity to profit from this entrepreneurship and innovation boom.⁶

Benefits for Broader Economic Development

In addition to reduced procurement costs, supporting locally owned (or as close as possible to the host community) women-led businesses produces broader benefits: community stability, growth, and economic development, all of which can yield positive dividends for company-community relationships.

Research shows that for every additional **1 percent** of women’s share in household wages, family savings can grow by approximately **25 percent.**

² IFC, [“Women Entrepreneurs are Essential for Private Sector Development in Emerging Markets.”](#) Washington DC: IFC, 2015, 1.

³ UN Women, [The Power of Procurement: How to Source from Women-Owned Businesses](#), New York: UN Women, 2017, 29.

⁴ IFC, [“Putting Gender Smart Commitments into Practice: SheWorks One Year Progress Report.”](#) Washington, DC: IFC, 2015, 4.

⁵ Supply Chain Dive, [“Walmart’s Sourcing from Women-Owned Suppliers Drives Business.”](#) March 8, 2018.

⁶ Deloitte and BIAC, [Putting All Our Ideas to Work: Women and Entrepreneurship](#), Paris: BIAC, 2015, 11; EY, [“Scaling Up: Why Women-Owned Businesses Can Recharge the Global Economy.”](#) New York: EY, 2009; IFC, [“Putting Gender Smart Commitments into Practice.”](#) 4.

Women are key community actors. Evidence shows that when women control the community's money, funds are more likely to be reinvested in families and to the benefit of the community. Some research shows that for every additional 1 percent of women's share in household wages, family savings can grow by approximately 25 percent. Women-led businesses and businesses that benefit women through employment represent an important community development driver.⁷ One report from Deloitte and BIAC cites Goldman Sachs estimates that closing the financing gap between male-led and female-led businesses in emerging economies would lead to 12 percent growth in per capita income in these countries by 2030.⁸

Closing the financing gap between male-led and female-led businesses in emerging economies would lead to



12 PERCENT GROWTH
IN PER CAPITA INCOME IN
THESE COUNTRIES BY 2030.

Challenges in Identifying and Supporting Women-Owned Businesses

Many companies have robust local procurement plans in place, some of which go to great lengths to work with local women-owned businesses. Still, many companies face challenges finding and engaging with these businesses. Some of these issues are detailed below.

Women-Owned Businesses and Employers of Choice for Women

It would be inaccurate to suggest that women cannot benefit from businesses owned by men, or that women-owned businesses necessarily benefit communities more than male-owned companies that employ substantial numbers of women. Still, the focus of this tool suite is on maximizing the business benefits of working with women-owned suppliers and helping companies identify and develop such suppliers. Of note for corporate users of this tool suite, these efforts should be directed at increasing engagement with local women-owned businesses, not merely women-owned businesses that may have little or no connection to host communities.

This tool suite complements **TOOL SUITE 1**, which makes a clear case that companies with significant numbers of female employees may be more profitable and efficient, even if women are not the owners. Combined, the two tool suites provide the full range of guidance to ensure a gender-diverse supply chain, including the use of women-owned contractors and suppliers with significant numbers of female employees.

⁷ IFC, [“Putting Gender Smart Commitments into Practice:”](#) EY, [“Scaling Up: Why Women-Owned Businesses Can Recharge the Global Economy”](#); Carmen Niethammer, [“Women, Entrepreneurship and the Opportunity to Promote Development and Business.”](#) Washington, DC: Brookings, 2013, 31.

⁸ Deloitte and BIAC, [Putting All Our Ideas to Work: Women and Entrepreneurship](#), 11.

Identifying Women-Owned Businesses

Women-owned businesses can be defined with a number of different criteria; see **TOOL 2.3** for more details. Leaving aside definitional issues, many companies report difficulties in identifying compliance-ready local women-owned businesses. Research suggests that women-owned firms tend to be smaller and not as capital intensive. They also typically employ fewer people, all of which can make them harder to identify. The size differential is due to a variety of reasons, including different attitudes towards debt and risk, fewer business networks, and limited access to finance. Initiatives like SheTrades (see Box 2A) aim to increase the visibility of women-owned businesses.

BOX 2A | SheTrades: Bringing Together Supply and Demand

SheTrades is an initiative of the International Trade Center that brings together female entrepreneurs and suppliers, with the aim of connecting 1 million women entrepreneurs with markets by 2020. It was created in response to concerns that corporations were having a hard time identifying suitable suppliers—and that this was getting in the way of increasing gender diversity in their supply chains.

Through the use of the SheTrades app, female entrepreneurs can connect with others, expand their networks, and internationalize their businesses, giving them increased visibility.

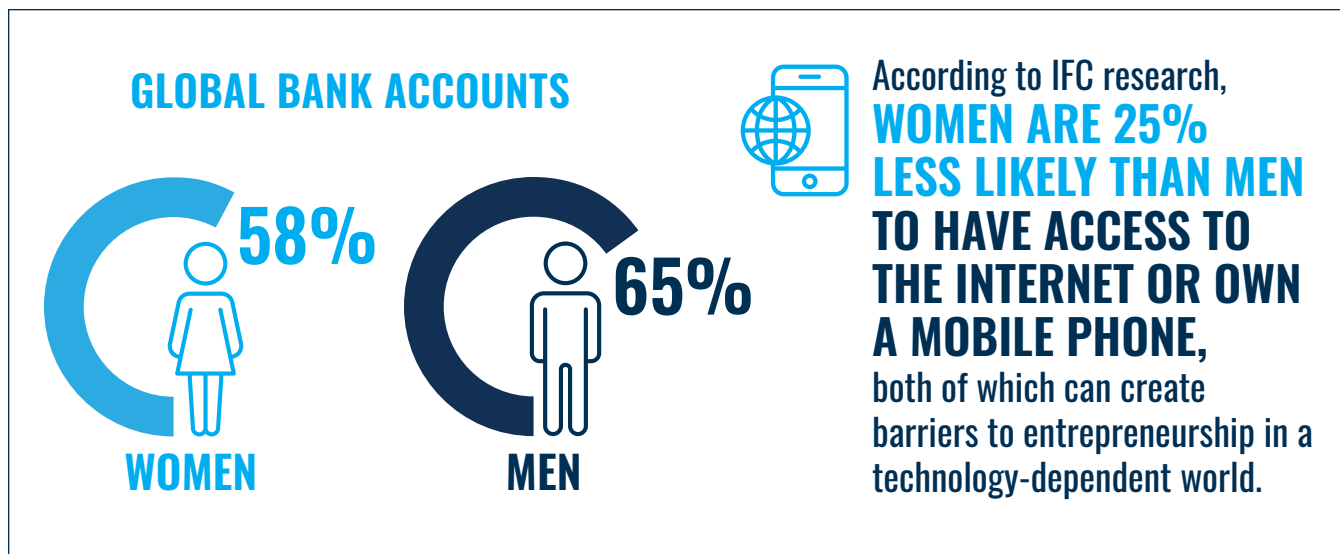
The app itself is the result of a global tech challenge sponsored by SheTrades in partnership with Google and Brazilian tech firm CI&T. Greenbell Communications, a woman-owned Kenyan technology firm, won the competition and created the SheTrades platform.

For more information: shetrades.com

Limited Numbers of Women-Owned Firms

In some markets, one reason for the difficulty in finding women-own businesses is that there might not be many such businesses, particularly in certain sectors. While women-owned businesses face many of the same challenges as any other business, they also often encounter added difficulties, particularly in certain countries where women still face regulatory and legal barriers. In Kuwait, for instance, women are not permitted to work past 8 p.m. Women in Swaziland need the permission of a male relative for a range of tasks, including opening a bank account, getting a passport, or enforcing a contract. And women in Tanzania are sometimes prohibited from using land as collateral.⁹

⁹ EY, “Scaling Up: Why Women-Owned Businesses Can Recharge the Global Economy,” 10. Also see World Bank Group, “Women, Business and the Law: Getting to Equal,” Washington, DC: World Bank 2015.



Even where these restrictions do not apply, women often have a harder time accessing finance, which can limit entrepreneurship and business growth. Globally, 58 percent of women have bank accounts, compared to 65 percent of men.¹⁰ They typically have lower levels of financial literacy. Women can be more debt-averse than men, which inhibits business startups.¹¹

Women also face more subtle barriers. For instance, situations requiring social contacts and informal channels to access finance put women at a disadvantage, because in many contexts they may lack such networks.

In addition, women who live in certain places may be less mobile than men and may not have the same access to technology. According to IFC research, women are 25 percent less likely than men to have access to the Internet or own a mobile phone, both of which can create barriers to entrepreneurship in a technology-dependent world.¹²

Another limitation for female business owners is that while they may offer quality products, they may not have as much business experience or the expertise to pursue business opportunities in optimal ways. This inexperience can compound their challenges in securing investors¹³.

¹⁰ World Bank, [“The Global Findex Database 2014,”](#) Washington, DC: World Bank, 2015, 15.

¹¹ Niethammer, [“Women, Entrepreneurship and the Opportunity to Promote Development and Business,”](#) 31.

¹² IFC, [“Women Entrepreneurs are Essential for Private Sector Development in Emerging Markets,”](#) Washington, DC: IFC, 2017, 1.

¹³ IFC, [“Women-Owned SMEs: A Business Opportunity for Financial Institutions,”](#) Washington, DC: IFC, 2014, 1 and 6. Also, Deloitte and BIAC, [Putting All Our Ideas to Work: Women and Entrepreneurship,](#) 3.

INITIATIVES TO IDENTIFY AND FOSTER WOMEN-OWNED BUSINESSES

IFC supports a number of initiatives to support the growth and capacity-building of local women-owned businesses,¹⁴ including:



BANKING ON WOMEN PROGRAM: Through this program, IFC works to increase access to finance for women entrepreneurs. IFC uses its capital investment to help financial institutions support women entrepreneurs, works with non-traditional financial access mechanisms, supports women's engagement in value chains, and provides training and advisory services to support women-owned businesses. Banking on Women has \$2.5 billion committed to women-owned small and medium enterprises (SMEs) through financial intermediaries.¹⁵



WOMEN ENTREPRENEURS OPPORTUNITY FACILITY: IFC partners with Goldman Sachs on this program, which improves female entrepreneurs' access to capital, provides entrepreneurship training, and offers a global forum to promote best practices for women-owned SMEs. The facility also supports investment climate programs that promote partnerships between government and the private sector to make it easier to start and grow small businesses.¹⁶



WOMEN'S ENTREPRENEURSHIP TRAINING: IFC research has found that many women's entrepreneurship training programs have limited results because they lack programs that build confidence, leadership, and presentation skills in addition to business skills development. The study also found that too few of these programs include mentorship, sponsorship, and coaching or post-training support, and that many failed to make a connection between training programs and access to financial products. To address these gaps, IFC has developed a customizable women's entrepreneurship training program, which was successfully piloted in Turkey and Palestine.¹⁷



SME FINANCE FORUM: IFC manages the Group of 20's SME Finance Forum, an initiative of its Global Partnership for Financial Inclusion. The forum is a platform for knowledge sharing to help increase access to finance for SMEs.



INSURANCE: IFC is spearheading an initiative to partner with private insurers and development donors to increase women's access to insurance as a way to enhance their financial stability and entrepreneurship.

In addition to IFC, other organizations such as the International Trade Center with its SheTrades initiative (see Box 2A) and WEConnect (see Box 2B) are working to make it easier for companies to identify businesses that are verified as women-owned and that meet certain capacity and scalability standards. By creating platforms and developing certifications, they are helping women-owned businesses and companies connect.¹⁸

¹⁴ For more information, see the [IFC Gender Business Group website](#).

¹⁵ IFC, "[Banking on Women: Changing the Face of the Global Economy](#)."

¹⁶ For more details, see [IFC's Entrepreneurship and Gender website](#).

¹⁷ IFC, "[Women Entrepreneurs are Essential for Private Sector Development in Emerging Markets](#)," 3.

¹⁸ Kara Valikai, "[Why Bringing Women Owned Business into the Supply Chain Makes Business Sense](#)," Devex, 2013.

BOX 2B | WEConnect: A Global Network for Women-Owned Businesses

WEConnect International is a global network that connects women-owned businesses with supplier opportunities. Through the network, businesses that are majority-owned (minimum 51 percent) or managed and controlled by women are identified, trained, registered, and certified. The platform targets women-led businesses outside the U.S. and connects these businesses with corporate buyers, including major multinational corporations. Corporations can register on the WEConnect website to become corporate members, and women-owned businesses can sign up to become certified suppliers.

For more information: weconnectinternational.org

Engaging with Women-Owned Suppliers

Given the benefits and challenges of working with women-owned companies outlined above, what additional steps can companies take to identify and help develop women-led suppliers?

This tool suite offers a set of effective actions, starting with a self-assessment on supply chain diversity. Additional actions include:

- Developing a gender-inclusive procurement policy to improve the identification of and contracting with women-owned businesses
- Hosting workshops or collaborating with partners like IFC to train local communities on starting businesses and applying for contracts, which will help cultivate more women-owned businesses
- Creating mentorship and development programs to help women-owned firms scale up to meet corporate needs

“Women usually reinvest a much higher part of their earnings in their families and communities than men, spreading wealth and creating a positive impact on future development.”

—OTAVIANO CANUTO, Vice President of the World Bank's Poverty Reduction and Economic Management Network

TOOL SUITE 2: Tools to Integrate Women-Owned and Gender-Diverse Businesses into the Supply Chain

Tool Suite 2 features ten tools to help companies identify and develop local women-owned suppliers and local suppliers with significant numbers of female employees. Tool 2.1 introduces how all the tools in this Tool Suite work together, and the remaining tools provide detailed guidance for assessing the current state of diversity within the supply chain and ways to address the gaps with an approach that also supports the development of local women-owned businesses.

TOOL	TARGET UNIT	GOAL
↓ TOOL 2.1: Road Map for Using Tools in Tool Suite 2	All Readers	Introduces how all the tools in this Tool Suite work together
↓ ASSESS AND PREPARE: Assess gender gaps in the company supply chain and assess the company's capacity to put in place staff, structures, and plans to address these gender issues. Tool 2.2 includes a sample self-assessment to help determine the current degree of engagement with women-owned businesses.		
↓ TOOL 2.2: Self-Assessment of Supply Chain Gender Diversity and Inclusion	Procurement	Assess current degree of engagement with women-owned businesses
↓ ADDRESS: Take specific practical actions to increase gender diversity, inclusion, and gender-equitable opportunities in the supply chain. Tools 2.3–2.9 help design an approach for increasing procurement from women-owned businesses.		
↓ TOOL 2.3: Considerations in Defining Criteria for 'Women-Owned Businesses'	Procurement	Establish clear criteria for suppliers to qualify as women-owned businesses
↓ TOOL 2.4: Developing the Business Case for Increasing Engagement with Women-Owned Businesses	Human Resources, Senior Management	Identify and present business case arguments for engagement with women-owned businesses
↓ TOOL 2.5: Developing a Code of Conduct for Increasing Engagement with Women-Owned Businesses	Procurement, Community Affairs	Establish a protocol and clear set of guidelines for increasing engagement with women-owned businesses

↓ TOOL 2.6: Developing a Comprehensive Gender Diversity Supply Chain Program	Procurement, Community Affairs	Create a comprehensive program that supports increased supply chain diversity
↓ TOOL 2.7: Support Development of Local Women-Owned Businesses	Procurement, Community Affairs	Cultivate women-owned businesses that can support supply chain needs
↓ TOOL 2.8: Guidance Note on Women-Owned Businesses and Public Procurement in Cities	Municipal Corporations	Establish municipal strategy for increasing engagement with women-owned businesses in procurement
↓ TOOL 2.9: Sample Needs Assessment Questionnaire to Develop a Coaching Program for Women-Owned Businesses	Procurement, Community Affairs	Assess the coaching and soft skills needs of female entrepreneurs

↓ **MONITOR AND SUSTAIN:** Monitor progress and institutionalize mechanisms to ensure continued improvement in engagement with women-owned businesses. Tool 2.10 proposes indicators that will help to track, monitor, and sustain progress on the company’s supply chain diversity goals.

↓ TOOL 2.10: Indicators to Monitor Progress on Supply Chain Gender Diversity Goals	Human Resources, Procurement, Senior Management	Track, monitor, and sustain progress on increased gender diversity in the supply chain
---	---	--

TOOL 2.1

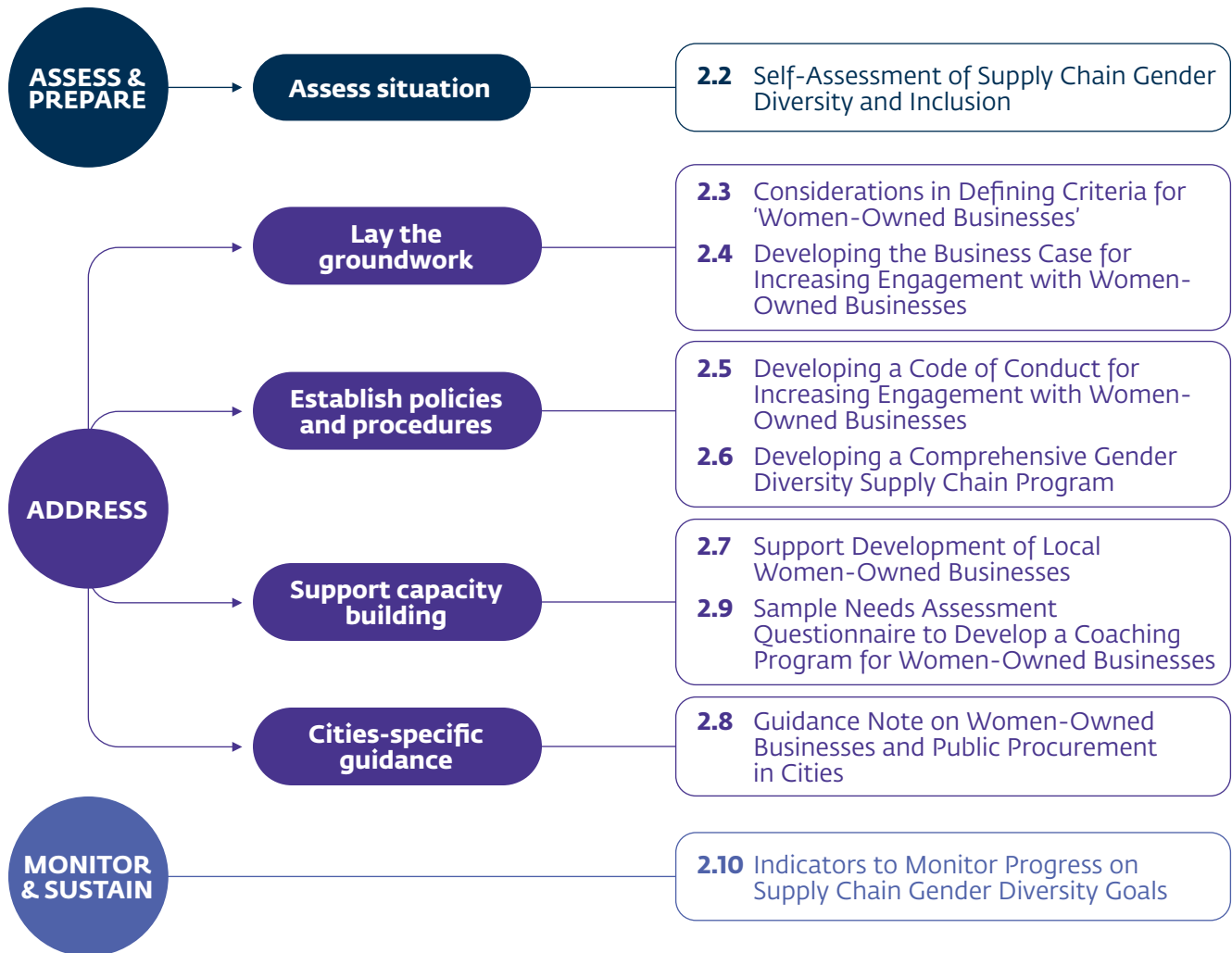
Roadmap for Using Tools in Tool Suite 2

- » **GOAL:** Introduces how all the tools in this Tool Suite work together
- » **TARGET UNITS:** All readers

The tools in Tool Suite 2 all support companies to increase the participation of women-owned businesses in their procurement. **Companies do not need to use all these tools in order to improve gender inclusion in their supply chain.** This roadmap provides an overview of the tools and provides suggestions on how to combine them into effective approaches. In most cases, companies should start with what is feasible from a time and money perspective—doing something is better than doing nothing.

1. **ASSESS & PREPARE:** The first stage of the gender journey in any company is to understand the status of gender inclusion in the supply chain.
 - If you need to get a rapid overview of the extent to which opportunities for women-owned businesses are incorporated into procurement processes and policies, as well as the gender diversity of your supply chain at present, use the Self-Assessment of Supply Chain Gender Diversity and Inclusion (**TOOL 2.2**).
2. **ADDRESS:** Once you have collected baseline data to better understand how gender diverse your supply chain and procurement policies are, the next set of tools can be applied to inform, and proactively increase, opportunities for women-owned businesses.
 - **Lay the groundwork:** To enable the company to act with clear goals and the support of management, it is important to lay the groundwork. **TOOL 2.3** walks you through the various ways that companies can choose to define ‘women-owned businesses’ in order to establish eligibility and parameters for inclusion in supply chain diversification efforts. To develop a coherent case for company management that will help senior leaders see all the business reasons for endorsing gender diversification in the supply chain, **TOOL 2.4** provides a step-by-step guide.
 - **Establish company procedures and policies:** Once management support is in place and eligibility has been defined, **TOOL 2.5** outlines how to develop a code of conduct for increasing gender diversity in the supply chain. **TOOL 2.6** sets out the procedures and approaches that companies can take to develop a comprehensive gender diversity supply chain program.

- **Support capacity building of women-owned businesses:** Tools in this section focus on what companies can do to support the development and thriving of local women-owned businesses—both current and potential suppliers. **TOOL 2.7** outlines what a program of support for women-owned businesses might involve. **TOOL 2.9** provides a needs assessment questionnaire for developing a coaching program for female business owners, in recognition of research which highlights the importance of confidence and building soft skills to the success of women-owned businesses.
 - **Cities-specific guidance:** In the context of municipal procurement, **TOOL 2.8** outlines guidance on how municipal corporations can realize particular benefits from increasing engagement with female suppliers.
3. **MONITOR AND SUSTAIN:** Finally, **TOOL 2.10** suggests guidance on how companies can monitor and track progress in growing their engagement with women-owned businesses in the supply chain.



ASSESS AND PREPARE: TOOL 2.2

Conducting a self-assessment of your company's current level of engagement with women-owned businesses will help uncover gaps and identify areas of focus for future actions and initiatives.

The tool in this section provides a model self-assessment in the form of a scorecard that can be used for an initial internal stocktaking and to uncover bottlenecks in identifying and attracting women-owned suppliers¹⁹. Results also can trigger a review of supplier criteria to ensure that they are not unfairly or unnecessarily excluding women-owned businesses. Use of the scorecard assumes the following:

- The company currently has some sort of procurement plan.
- The company collects data on supplier diversity.
- The company has a gender equity champion who can support the integration of gender into procurement activities (for more details on a gender equity champion and a sample Terms of Reference describing their role, please see **TOOL 1.10** in **TOOL SUITE 1**).

If your company does not have a local procurement plan, IFC's '[A Guide to Getting Started in Local Procurement](#)' offers important fundamentals.²⁰ The tools provided here complement the IFC guide with an approach for integrating the gender dimension into local procurement plans.

¹⁹ The guidance used to develop this tool includes: WEConnect International, "[Global Supplier Diversity and Inclusion: Reaching the Gold Standard.](#)" 2015; UN Women, [The Power of Procurement: How to Source from Women-Owned Businesses](#); and tools from the Royal Bank of Scotland.

²⁰ IFC, [Guide to Getting Started in Local Procurement](#), 2011.

TOOL 2.2

Self Assessment of Supply Chain Gender Diversity and Inclusion

- » **GOAL:** Assess the current degree of engagement with women-owned businesses
- » **TARGET UNIT:** Procurement

This scorecard tool helps companies assess the extent to which they currently engage with women-owned businesses in their supply chain. It also looks at the state of existing support for increased engagement with women-owned businesses, including what senior management is doing and what types of corporate systems are in place. It draws on guidance from IFC and other organizations.

The scorecard lets you rank your company's current engagement with women-owned companies, its existing procurement policies, and the extent to which you currently support the development of local women-owned suppliers.

Using the Scorecard

The scorecard looks at several aspects of the current procurement environment.

- **Current engagement with women-owned businesses as contractors and suppliers:** How many women-owned businesses are currently engaged as Tier 1 and Tier 2 suppliers? Are suppliers and subcontractors required to engage with women-owned businesses as subcontractors? Are they held accountable for this?
- **Awareness and outreach to women-owned businesses:** To what extent is the company aware of local women-owned businesses? How could they fit into the supply chain? To what extent is the company working to develop these opportunities?
- **Current procurement practices and criteria:** Does the company facilitate and incentivize working with women-owned businesses? How are these priorities expressed, within the company—for instance, are they included in the procurement plan? Or are there other ways in which these priorities are laid out?
- **Corporate climate for prioritizing engagement with women-owned businesses:** How is management demonstrating leadership on the topic? What building blocks have been put in place to proactively support the strategy?
- **Monitoring and evaluation:** Does the company monitor and track engagement with women-owned businesses? If so, to what extent?

Scoring

Score each of the criteria on a scale of 1–8.

- **1–2 points:** From zero activity to little activity
- **3–4 points:** From ‘some work, but primarily in response to crisis’ to ‘some work, but not regularly’
- **5–6 points:** From ‘regularly working on these issues, although not comprehensively’ to ‘working on these issues regularly and comprehensively’
- **7–8 points:** From ‘excellent implementation’ to ‘outstanding implementation’, including continuous feedback and improvement

Repeat this assessment every year to track progress. Use the results to reflect on progress and identify ways to improve engagement, either by updating procurement criteria or through outreach to local women-owned businesses.

See **TOOLS 2.3–2.9** for specific guidance on how to address bottlenecks identified in the scorecard.

TABLE 2A | Gender Equity in Procurement Scorecard: Assessing the Supply Chain, Policies, and Activities

Current Engagement with Women-Owned Businesses as Contractors and Suppliers

SCORE 1–8 SCALE (1 is low; 8 is high)

Assess the current ratio of Tier 1²¹ women-owned suppliers/contractors compared to all Tier 1 suppliers/ contractors

Assess the ratio of company spend with women-owned businesses compared to total company supply/ contracting spend

TIPS: For additional assessment and deeper understanding:

- Break down spending on women-owned businesses by department
- Identify departments with the highest and lowest ratio of spending with women-owned businesses.
- Identify reasons for departmental disparities

²¹ A Tier 1 supplier, for the purposes of this tool suite, is a supplier from whom the company contracts directly for goods or services—i.e., not via a third party. A Tier 2 supplier subcontracts to the company one degree removed (via Tier 1 suppliers) and in the same manner. A Tier 3 supplier is a subcontractor two degrees removed.

Awareness and Outreach to Women-Owned Businesses

SCORE 1-8 SCALE (1 is low; 8 is high)

Does the company maintain (or have access to, through a chamber of commerce or other entity) a current database of local, regional, and national women-owned businesses that meet supplier criteria?

Is the database updated regularly? Would it be updated if supplier criteria is updated?

Does the database identify key services or sectors where women-owned businesses are clustered?

In a standard RFX²², does the company currently include any language encouraging women-owned businesses to apply?

In vendor outreach activities, does the company take steps to include women-owned businesses or to target sectors where there is a cluster of women-owned businesses?

Has the company conducted any assessment/inventory/analysis to identify viable local women-owned businesses as suppliers or subcontractors?

Does the company make specific outreach efforts to women-owned businesses, for instance through community workshops, seminars, or trade fairs?

Does the website specifically encourage women-owned businesses to respond to RFX?

Are local partnerships in place to support procurement from women-owned contractors/suppliers?

Does the company support events to inform local women-owned businesses about procurement opportunities?

Does the company hold or support capacity-building activities to develop local women-owned suppliers?

Does the company have in place mentoring or training activities to help develop local women-owned businesses?

Does the training include business fundamentals as well as technical skills?

Does the company support initiatives to build access to finance for local female entrepreneurs, for instance through partnerships with local finance institutions?

²² RFX is a standard acronym used in procurement to cover all iterations of 'Request for Proposal'.

Current Procurement Practices and Criteria

SCORE 1-8 SCALE (1 is low; 8 is high)

Is there a local procurement policy or commitment that specifically mentions increasing the number of women-owned businesses in the supply chain?

Does the company have a clear policy that defines what is meant by women-owned business—i.e., female ownership or number/ratio of women employees?

If a policy exists for Tier 1 suppliers on engagement with women-owned subcontractors, does it extend to subcontractors/Tier 2 or 3 suppliers?

Does the company have in place a procurement audit process that specifically assesses the degree of engagement with women-owned businesses?

Are procurement criteria defined in such a way that may disadvantage smaller business or other types of businesses where women are more heavily represented? (For instance, are vendors required to have been in business for a certain number of years, have a certain amount of income, have a formal bank account, or require Internet access?)

TIP: Consider whether these criteria are absolutely necessary, or if they could be modified so they do not preclude newer, smaller vendors.

Is engagement with women-owned businesses highlighted during orientation and training for procurement staff?

Do procurement staff receive ongoing training and capacity building on ways to engage with and support women-owned businesses?

Are there incentives in place to encourage engagement with women-owned businesses as subcontractors and/or suppliers?

Have local procurement plans, targets, and opportunities been reviewed to identify areas where specific women-owned businesses could be encouraged to engage?

Have local procurement plans and targets been reviewed to identify areas where capacity-building initiatives would enable local women-owned contractors to meet supplier/procurement demand?

Corporate Climate for Prioritizing Engagement with Women-Owned Businesses

SCORE 1-8 SCALE (1 is low; 8 is high)

Has the gender equity champion (or other staff member) developed a business case for incorporating women-owned businesses in procurement?

Have the CEO and senior management team communicated their commitment to increasing the number of women-owned businesses in the supply chain?

Does the company have in place a dedicated local procurement team with a mandate that includes a specific objective to increase engagement with women-owned businesses?

Has the company allocated a specific line item in the budget to support increased engagement with women-owned businesses in the supply chain?

TIP: Examples include engaging with WEConnect or organizing assessment and training for procurement staff on gender issues.

Do annual reports include information about engagement with women-owned businesses and progress towards increased gender diversity in the supply chain?

Monitoring and Evaluation

SCORE 1-8 SCALE (1 is low; 8 is high)

Are there clearly stated goals on the number (or percentage) of women-owned businesses in the supply chain the company aspires to?

Does the monitoring and evaluation system include tracking of the number of women-owned businesses in the supply chain and amount of procurement spend with them?

TIP: This includes total spend as well as departmental data.

Are the above numbers tracked and reported quarterly?

Does the monitoring and evaluation system include an indicator related to contracts with women-owned businesses?

Do performance evaluations for purchasing department managers include recruitment targets for increasing the number of women-owned businesses contracts?

Are improvements in engagement with women-owned businesses included in annual reporting?

ADDRESS: TOOLS 2.3–2.9

Following the self-assessment, companies can take action to address key bottlenecks and obstacles to engagement with women-owned businesses. Here is a step-by-step guide.

- 1. Define the criteria for ‘women-owned business’:** Before embarking on a program to increase engagement with women-owned businesses in the supply chain, companies need to consider which criteria they will use to define eligibility. Ownership, control, independence, and certification are all relevant factors to consider. (For more, see [TOOL 2.3](#).)
- 2. Develop a business case:** If corporate buy-in is low, a well-developed business case provides the basis for strengthening senior-level leadership and cultivating a supportive corporate culture. The business case should include quantitative and qualitative assessments of how more engagement with women-owned businesses will increase profitability and/or improve relations with the community. The gender equity champion can lead this effort, which should target senior management as well as all departments with purchasing and/or subcontracting needs. Use the business case to secure senior management buy-in and identify operational champions within departmental purchasing teams. (For more, see [TOOL 2.4](#).)
- 3. Update the local procurement policy to support increased engagement with women-owned businesses:** Based on results of the assessment, amend your local procurement policy to lower barriers to entry for women-owned businesses and—ultimately—to increase engagement with them. This includes altering policies and procurement criteria that needlessly disadvantage women-owned contractors and updating advertising and community engagement strategies for better outreach. (For more, see [TOOL 2.5](#) and [TOOL 2.6](#).)
- 4. Develop programs to support implementation of the updated policy:** This includes revising communications, arranging for procurement staff training, setting up local partnerships, and identifying accountabilities and incentives. (For more, see [TOOL 2.5](#).)
- 5. Identify and secure additional resources and tools needed to implement these plans:** Implementation of the updated plan may require additional staff, consultants, and training budget.
- 6. Support development of local suppliers to meet supply chain needs:** Based on the findings of the assessment, companies may need to update training programs and/or develop new community partnerships to support the development of women-owned businesses that could qualify as local suppliers.

TOOL 2.3

Considerations in Defining Criteria for ‘Women-Owned Businesses’

- » **GOAL:** Develop clear terminology and definitions that allow for the identification of women-owned businesses in procurement programs and policies
- » **TARGET UNITS:** Procurement; Community Engagement

Developing a program to engage with women-owned businesses in a company supply chain begins with defining clear criteria for a business to qualify as ‘women-owned’. This tool helps companies to identify the right combination of criteria in order to establish baselines, measure progress, and determine which local businesses are eligible for inclusion in procurement targets or preferential selection processes²³. Clarity in procurement guidelines is a requirement for implementation, and helps to avoid accusations of fraud, bias, or tokenism or ‘fronting’, i.e., when women are nominally offered an ownership stake in a company, but with their de facto rights to exercise decision-making severely curtailed or overwritten.

Policymakers, researchers, and supporting organizations like training firms or NGOs may also find this tool useful in terms of providing guidance on how to target policies, programs, studies, and support. Finally, small business owners themselves can use this tool to clarify whether they fall into the category of a woman-owned business or a business primarily employing women.

Criteria for Evaluating the Gender-Inclusiveness of Potential Suppliers

1. Ownership

A business where at least 50% of equity is owned by a woman or women is the most often-cited definition of a women-owned business. However, it is not only the composition of ownership that matters—the criteria also may include how the company bylaws, voting arrangements, shareholder agreements, and other structures determine the exercise of ownership interests in practice. For example:

- Companies may have a proviso that grants veto power to a male owner—even if the other owners are female.
- Companies may grant a male owner the sole right to dissolve the company without requiring the assent of other owners.
- Companies may stipulate that if a woman owner wishes to sell her shares, she must give first right of refusal to a male.

²³ The guidance used to develop this tool comes from UN Women, [The Power of Procurement: How to Source from Women-Owned Businesses](#).

In any of these scenarios, female shareholders will face severe constraints in exercising their ownership rights. The situation is further complicated by the fact that ownership is not static but evolves over time as the company capitalization changes. A business may start out as 100% women-owned and founded, but it may require capital to grow and seek out equity investors to meet this need. Equity investors often ask for restricted stock arrangements as a condition of coming on board to protect themselves against the perceived risk of investing. A common restriction from early-stage investors is to require the founders to remain actively engaged in the running of the business for the duration of the term. For these reasons, companies seeking to procure from women-owned businesses should look carefully at the structures of the businesses in question to understand how substantive the rights of female owners really are. Ideally, voting rights of female owners should be unencumbered and unconditional, with full ability to partake in decision-making, if the business in question is to qualify as a women-owned business²⁴.

2. Control

In addition to ownership rights, a woman-owned business should also be one in which women have authority in daily decisions about the management and operations of the company. For example, one or more of the senior officers of the company should be female. Typically, a woman should also hold the position of the highest officer (usually CEO). Again, it is important to look beyond titles. If the female CEO or managing director is required by the articles of incorporation to seek the consent of other (male) signatories to carry out actions like borrowing money, hiring staff, and signing contracts, then the woman in question does not have effective control of her business.

3. Independence

If a women-owned business could not operate without the licenses, permits, and/or insurance held by another business, that women-owned business would not be considered independent. Reliance on other close partners to carry out core operations runs the risk that the woman-owned business may be controlled by their affiliates, thus undermining the goal to economically empower women through gender-diverse contracting. The Women's Business and Enterprise National Council (WBENC)²⁵ and WEConnect International²⁶ both include independence stipulations in their eligibility

²⁴ For example, to qualify as a women-owned small business under the U.S. Small Business Act, a business concern that otherwise meets the applicable size standards must be at least 51 percent unconditionally and directly owned and controlled by one or more women. For more information, [click here](#).

²⁵ The Women's Business Enterprise National Council (WBENC) is the largest certifier of women-owned businesses in the U.S. and a leading advocate for women business owners and entrepreneurs. For more information, [click here](#).

²⁶ WEConnect International is a global network that connects women-owned businesses to qualified buyers around the world. For more information, see Box 2B or [WeConnect International](#).

criteria for defining women-owned businesses. An independent business concern can be defined as one in which:

- The woman or women owner(s)'s expertise must be indispensable to the business's potential success; and,
- The woman or women owner(s) have the ability to perform in their area of specialty/expertise without substantial reliance upon finances and resources (e.g., equipment, automobiles, facilities, etc.) of males or nonwoman business enterprises.

4. Valid Certification

There are several options for certifying suppliers as women-owned businesses. These include requiring self-certification by businesses that are seeking to register as company suppliers; requiring government certification; or using a third-party certification process in line with a set of recognized international standards. Each option has strengths and drawbacks. Self-certification may be the simplest to administer but may also prove ineffectual without verification of supplier paperwork and relies upon suppliers having the capacity for honest and critical self-assessment. Government certification creates a uniform standard aligned with relevant national policies and laws, but in practice the success of such an effort depends on government capacity and expertise to implement it. Third-party certification (for example through an organization such as WeConnect International) can present an additional expense for companies, but brings many advantages that the previous two options lack—the credibility of independent evaluation, the opportunity for suppliers to connect to regional or global communities of peers, and affiliation with a recognized standard, which in turn may help suppliers attract capital from mission-aligned investors.

5. Businesses Employing Majority Women

As stated in the introduction, the focus of this tool suite is primarily on helping companies to increase their engagement with women-owned businesses. However, if one of the goals of gender diversifying the supply chain is to create greater economic opportunities for women, then it follows that it is not only the percentage of female ownership of potential suppliers, but also the number and type of jobs they create for women, that should be of interest to companies. Evidence suggests mutuality between these two goals: women-owned businesses also tend to employ more women. In an International Trade Centre (ITC) survey of 20 developing countries, 40 percent of the firms owned by women employed mostly female workers, compared with just 22 percent of firms owned and managed by men²⁷.

²⁷ International Trade Centre (2015), [Unlocking Markets for Women to Trade](#). Source data from ITC NTM surveys in 20 developing countries, 2010 to 2014.

Companies may wish to track their impact on the indirect employment of women (i.e., employment created in supply chain businesses); suggested indicators are included in **TOOL 2.10**. Companies may also choose, for example, to require suppliers to include in their bid submission a gender breakdown of their current workforce and/or any targets or policies they have in terms of gender equality in the workforce. UN Women, for example, encourages suppliers to include information regarding the percentage of women (1) employed in the supplier’s organization, (2) in executive and senior positions, and (3) shareholders. While such data are not a factor in the evaluation of tenders, UN Women uses them for statistical purposes to support its mandate to promote gender equality and women’s empowerment. It states that “suppliers are invited to (1) become signatories to the ... [Women’s Empowerment Principles (WEPs)] (for companies with more than 10 employees), or (2) sign the Voluntary agreement to promote gender equality and women’s empowerment (for companies with fewer than 10 employees)”²⁸.

²⁸ UN Women, [“Gender-responsive Procurement.”](#)

TOOL 2.4

Developing the Business Case for Increasing Engagement with Women-Owned Businesses

- » **GOAL:** Identify and present business case arguments for engagement with women-owned businesses
- » **TARGET UNITS:** Human Resources, Senior Management

A Strong Business Case Demonstrates Value

A strong business case is an important first step towards increasing gender diversity in the supply chain. It validates and rationalizes the effort and investment put forth by showing the benefits that can accrue. It includes non-financial benefits in addition to the financial value. Among the non-financial benefits: Improved community relations, potential leveraging with community engagement programs, and reputational gains.

A sound business case will help secure senior management buy-in for revising the local procurement plan and creating incentives and accountability for increasing engagement with women-owned vendors. Operational champions in each departmental purchasing team can be useful contact points for implementing these updated policies and monitoring success stories, bottlenecks, and challenges.

The company's gender equity champion and gender equity task force can take the lead on building the business case, which should highlight both the potential benefits of a gender-diverse supply chain and steps the company could take to address any gaps. It complements the self-assessment of the local women-owned business environment detailed in **TOOL 2.2**.

In building the business case for investing in women-owned business suppliers, remember to incorporate the non-financial benefits such as those noted above—as well as a longer-term perspective—in making the case. This information is critical, since in some instances the costs of supplier diversification might not be offset immediately. For example, in situations where a smaller women-owned business does not have the scale to meet the needs of major international companies, an upfront capacity-building or training investment might be required before the business is able to meet these needs. Thorough detail on the short- and long-term financial and non-financial benefits of supporting women-owned businesses will provide a clear indication of the value such efforts bring—both for the company and the broader community.

Use the diagnostic provided in Table 2B to help develop and frame a business case for increasing gender diversity in the supply chain.

TABLE 2B | Business Case Diagnostic: Engaging with Women-Owned Businesses**1. COST SAVINGS: Identify potential cost savings from working with women-owned businesses**

- » Identify potential “conventional” and women-owned vendors: To what extent can these suppliers provide equivalent services? For example, are there reasons that women-owned businesses would not be able to meet procurement needs equally? What are the specific barriers to entry for women-owned vendors based on market status—such as recent entry to the market or scale of current contracts and/or your procurement criteria?
- » Compare pricing between conventional suppliers and women-owned vendors that provide equivalent products and services: Are prices competitive? Are there potential cost savings from women-owned vendors? If the women-owned businesses are not the lower-cost vendors, what other benefits might come from contracting with them, such as better quality, value, or user appeal?
- » Compare product quality between conventional suppliers and women-owned vendors that provide equivalent services: Would working with women-owned vendors lead to improved product quality or help respond to and/or capture different market share?
- » Identify opportunities to build the capacity of women-owned vendors that cannot supply comparable products/ services: Could they reach the point where they could provide comparable goods through a moderate degree of training?
- » Identify aggregate cost savings from contracting with women-owned vendors.

2. ADDITIONAL COSTS: Identify potential costs that may result from contracting with women-owned vendors

- » Are the local women-owned businesses currently operating at required standards or would additional training be needed to scale them up to meet quality and volume needs?
- » Identify the type, scope, and length of training needed so these vendors could become viable suppliers: How many trainings? Over what period of time? How often would the training need to be repeated? Develop cost estimates for these trainings and compare them to the anticipated financial benefits from working with that particular vendor.
- » Conduct overall cost-benefit analysis for training: First, calculate the number of new vendors that could become qualified through training. Next, compare the value of qualifying these newly registered suppliers with the training costs—does the value offset the cost?

3. BUDGET: Consider ways to fund training and outreach by leveraging community engagement activities

- » Connect with the corporate social responsibility/community engagement teams: Identify opportunities to cross- subsidize women-owned vendor training and outreach through programs run by these departments.

4. NON-FINANCIAL BENEFITS: Itemize the broader benefits of working with local women-owned vendors

- » Examine and evaluate non-financial benefits, including improving community relations, enhancing local economic development by empowering women, meeting community investment and local sourcing requirements, and complying with government requirements for gender diversity in supply chains.
- » Detail the community engagement dividends from cultivating and contracting with women-owned vendors.
- » Quantify or otherwise demonstrate ways in which these dividends would help offset—and perhaps more than make up for—financial costs.

TOOL 2.5

Developing a Code of Conduct for Increasing Engagement with Women-Owned Businesses

- » **GOAL:** Develop a protocol and clear set of guidelines for increasing engagement with women-owned businesses
- » **TARGET UNITS:** Procurement

The Role of Codes of Conduct

Even before your company has fully developed its gender equity policy, a formal code of conduct can help outline a commitment to gender diversity in the supply chain. Also known as a code of ethics, the code of conduct is a corporate policy that guides employees on behaviors extending well beyond processes and procedures. It details the company values that underpin all activities, goals, and objectives. Having in place a supplier diversity code of conduct sends a signal to all staff that it is a core company value and prioritized business principle. It also offers guidance on integrating this value into procurement operations.

Be sure to collaborate with the various relevant units in developing such a code, including the gender equity task force, procurement, legal, business services, and compliance. Representation from senior management is equally important.

You may decide to sign on to an existing code of conduct, such as the one developed by WEConnect International and the Royal Bank of Scotland (see Box 2C). Or you might want to develop your own code as a start towards a more comprehensive gender diversity program.

Developing a Supplier Diversity Code of Conduct in 5 Steps

Follow these five steps to create a supplier diversity code of conduct.

Code development step 1: Establish objectives for supply chain gender diversification.

These might include:

- Creating a more innovative and competitive marketplace for suppliers
- Creating more economic opportunities for diverse suppliers within the surrounding community
- Creating procurement opportunities that reflect the diversity of the local community
- Developing a procurement plan that aligns with the values of the company and with the general procurement policy

BOX 2C | WEConnect and the Royal Bank of Scotland: Supplier Diversity Code of Conduct

WEConnect International and the Royal Bank of Scotland developed a template for a supplier diversity code of conduct. Companies can sign on to the code, which serves as a strong signal to internal and external stakeholders about their intent to update procurement policies, community engagement, and monitoring and evaluation metrics to support greater engagement with local women-owned businesses. The code's objective is to define company commitments and lay the groundwork for a more specific and detailed plan of action to increase gender diversity in the supply chain.

For more information: weconnectinternational.org

Code development step 2: Define key terms.

- What does a gender-diverse supply chain mean for your company? For instance, how will your company define women-owned businesses? (For more details on the potential criteria to consider, see [TOOL 2.3](#).)
- What percentage of women-owned suppliers is your company's target?

Code development step 3: Identify the code's scope.

- Will the code apply to all employees with procurement responsibilities?
- What about Tier 1 and 2 suppliers? Are they expected to abide by the code in their own dealings with suppliers and contractors?

Code development step 4: Outline key principles.

This involves defining the guiding principles to which the code's signatories are committing, such as:

- Reviewing supplier criteria to ensure that they are not creating an unnecessary and undue burden on new or smaller companies.
- Communicating more effectively with potential suppliers to ensure that RFX reach a wider range of potential suppliers: There are several ways to do so, such as hosting/participating in supplier conferences and making procurement policies more accessible and easier to understand.
- Exploring options to reduce contract size: For instance, decoupling multiple activities so they are not bundled as part of a larger contract. This will ensure that smaller, women-owned businesses are not excluded from eligibility.

- Simplifying and streamlining the application and contracting processes to reduce the time burden on smaller suppliers.
- Reviewing contract award criteria to focus on value for money, rather than simply the lowest -cost options.
- Reviewing payment procedures to ensure that payments are made promptly and within short timeframes to reduce pressure on smaller firms.
- Providing feedback to firms on unsuccessful bids as part of supplier development programs.
- Ensuring that small business development initiatives support businesses of all sizes: This includes exploring opportunities to work with microenterprises and ensuring that small business development programs have a connection to funding mechanisms to create more meaningful opportunities.
- Partner with suppliers to explore options for low-cost innovation.²⁹

Code development step 5: Monitor and evaluate.

Commit to effective and ongoing monitoring and evaluation, with indicators for:

- Number and type of suppliers
- Effectiveness of training activities
- Cost effectiveness of suppliers.³⁰

Adopting a Supplier Diversity Code of Conduct in 4 Steps

Developing the code is only the first phase. The next phase involves rolling out the code company-wide and ensuring adoption and uptake. Here are the steps to take in helping your company adopt the newly developed code of conduct.

Code adoption step 1: Share details of the code with key managers and gain buy-in by involving them.

- Engage with heads of key departments, including procurement, legal, compliance, sustainability, and business services, as well as senior management to review, amend, and finalize the code. Endorsement from the highest levels is critical to successful implementation.

²⁹ The information in Step 4 draws on: UN Women, *The Power of Procurement: How to Source from Women-Owned Businesses*, and Connaughton and Gibbons, *"Beyond Compliance: Top Supplier Diversity Programs Aim to Broaden Value Proposition,"* Atlanta: The Hackett Group, 2016.

³⁰ WEConnect International and Royal Bank of Scotland, *Supplier Diversity and Inclusion Code of Conduct: Adopting the Code*.

Code adoption step 2: Set a timeline for development of a more comprehensive gender-inclusive local procurement policy.

This should include updated procurement criteria and procedures and updated communication and training plans.

Code adoption step 3: Design a communication plan for the rollout.

- How, when, and where will the new code be unveiled?
- Identify specific strategies and approaches for communicating with staff, corporate stakeholders, other companies, and the community.

Code adoption step 4: Develop a monitoring and evaluation plan.³¹

How will successful implementation of the plan be monitored? Potential indicators might include:

- Percentage of spend with diverse suppliers
- Number or percentage of suppliers classified as “diverse”
- Percentage of suppliers meeting or exceeding expectations
- Number or percentage of “diverse” suppliers that are strategic partners

³¹ Based on Connaughton and Gibbons, [“Beyond Compliance: Top Supplier Diversity Programs Aim to Broaden Value Proposition,”](#) 3.

TOOL 2.6

Developing a Comprehensive Gender Diversity Supply Chain Program

- » **GOAL:** Develop a comprehensive program for increased supply chain diversity
- » **TARGET UNITS:** Procurement

After signaling intent to improve supply chain gender diversity with a code of conduct, it is time to focus on creating a comprehensive gender diversity supply chain program. This process is based on the supply chain self-assessment (see [TOOL 2.2](#)) and is detailed here.

Action item 1. Review and update local procurement policy.

Review the policy with an eye toward making it easier for women-owned businesses to qualify and register as vendors and addressing bottlenecks as identified in the assessment.

- Define women-owned businesses and clarify criteria for qualifying as such, in accordance with the code of conduct. (See [TOOL 2.3](#) for more details on qualifying criteria.)
- Highlight areas of the local procurement policy or current procurement guidelines that contribute to the bottlenecks and challenges that were identified in the assessment:
 - How are tenders advertised? Is circulation of opportunities typically reliant on word of mouth, business networks, or other types of communication that may disadvantage smaller, newer firms, or those without access to more established business networks?
 - Review criteria for authorized vendors to determine whether financial or legal requirements are unnecessarily precluding or overly hindering local women-owned firms. Do these requirements—such as duration of company's existence or minimum amount of income in preceding year—prevent women-owned vendors that otherwise have the qualifications and capacity from bidding on the job?
 - Are contracts typically bundled together—including multiple types of tasks—in a way that excludes smaller businesses? Smaller businesses, which often include many women-owned businesses, may have difficulty responding to larger, more complex, or multi-task bids.
 - What is the typical payment structure for contracts? Are companies expected to invest significant time in planning or early-stage work before the first payment? Such expectations could pose an undue hardship on smaller firms.
- Identify ways to modify the current standards without altering essential qualifications or qualitative standards: This extends to all bidders, not just women-owned vendors. There are several options here, including the possibility of substituting alternate evaluation criteria or the potential for providing more support to bidders so they can meet the standards.

BOX 2D | Anglian Water's Platform for SME-led Innovation and Partnerships

Anglian Water, a company that supplies water and water recycling services to more than 6 million domestic and business customers in the east of England, is engaging with local suppliers in creative ways to deliver environmental solutions. "SMEs and local suppliers are an untapped opportunity," says the company Head of Sustainability, Andy Brown, who believes supporting local suppliers is critical, especially for innovative ideas. "Cutting-edge businesses might not be able to demonstrate long-term success. Offer them low-risk opportunities and work together to monitor it."

To encourage smaller businesses to share ideas, Anglian Water has launched an online portal, the Water Innovation Network. This free business network allows potential suppliers to present their solutions to the challenges being faced. One successful example of the Water Innovation Network in action is a new partnership between Anglian Water and Concrete Canvas, an SME that produces a flexible concrete-impregnated fabric that hardens when hydrated to form a thin, waterproof concrete layer. It is 10 times quicker to install than conventional concrete and better for the environment. Concrete Canvas used the Water Innovation Network to pitch the idea to Anglian Water, and within nine months the product was being trialed on a site.

Source: Katie Jacobs, "How Anglian Water is Making Water Cleaner" 2017

Action item 2. Develop accountability and implementation incentives.

Hold departments accountable for achieving targets on engaging with women-owned firms. They should justify reasons they have—or have not—succeeded in reaching these targets.

- Create incentives: This will encourage departments to reach targets for engaging with women-owned businesses. The incentives should extend to managers by way of incorporating progress towards meeting women-owned business engagement targets into managerial performance evaluations. Performance should be measured in part by quantitative indicators, such as the number of women-owned businesses engaged, as well as qualitative indicators, such as the level of effort to identify, include, and engage these businesses.
- Create voluntary or compensated mentorship programs: In particular, such programs should involve opportunities to connect female staff with local female entrepreneurs. If the programs are voluntary, consider other types of recognition, such as awards programs to honor teams that contribute the most toward community mentorship.

Action item 3. Provide training and support to help develop local women-owned businesses.

In addition to establishing policies requiring local inputs, many companies are investing in the development of local suppliers in nearby communities. (For more on support for local women-owned businesses through community engagement activities, see [TOOL SUITE 3](#).)

- Ensure that programs address the specific needs of women-owned businesses: Remember that these businesses often lack equal access to networks, capital, and finance.
- Consider support for microenterprises: Typically, women-owned firms are smaller than those headed by men, in part because of unequal access to capital. If provided the appropriate support, some of these microenterprises could become strong and capable suppliers.
- Work with financial institutions to provide financing for training participants: Encourage financial institutions to provide such funding on their own, or partner with them in support of these new businesses. According to Deloitte, some companies work with funders to offer “women-bonds” specifically to support women-owned businesses; other business accelerators and incubators provide equity funding to women-owned SMEs to promote growth.
- Make use of local content programs to support mentorship and networking for women-owned businesses: These firms do not have the same networks as male-run businesses, so programs that help them build new networks can lead to longer-term benefits.
- Review training curricula to ensure that programs are targeted and inclusive. (See Box 2E for more.)

Action item 4. Review and update communication strategies.

Keeping women-owned vendors informed about upcoming contracting opportunities is key to meeting goals for gender-diverse procurement. Use findings from the assessment regarding local women-owned businesses to guide this outreach. Here are some guidelines to assist you in revising and updating communications strategies to ensure a more gender-diverse contracting pool:

- Take a look at the way opportunities are communicated: Is language gender-inclusive—for example, using terms like “foreman or forewoman” instead of just “foreman” or “foreperson”? Are women-owned businesses and businesses that include a significant number of female employees specifically encouraged to apply?
- Designate male and female staff to represent the company at local trade fairs: This will send a strong message that the company is interested in contracting with both male- and female-owned companies.

- Conduct local workshops to teach small business owners, and even specifically women business-owners and their representatives, how to respond to RFX. Topics should include registering as a vendor and understanding qualifications and requirements.
- Set up a local enterprise center or kiosk and provide training on how to register online: This will assist potential vendors that have limited Internet access. (See **TOOL 2.7** for more on capacity building.)• Encourage businesses to register online as suppliers and urge them to spread the word to colleagues at other businesses.

BOX 2E | Making Training Targeted and Inclusive

Among the ways for companies to get the most out of their investment in training for potential women-owned suppliers:

- Ensure that training for local suppliers on how to qualify and register as local suppliers is gender- inclusive.
- Make training equally accessible to males and females by providing childcare and offering events at different times of the day.
- Provide female mentors and coaching specifically geared toward women-owned businesses.
- Create specific mentorship, training, and incubator programs for women-owned businesses.
- Provide targeted training.
- Provide non-cognitive skills training to build women's self-confidence, with a focus on personal development and leadership.
- Identify key sectors where women-owned businesses could flourish and build programs geared toward these industries.
- Partner with local players to develop women-owned businesses: For example, work with local banks to train women on financial fundamentals and opening business accounts, and encourage banks to consider offering credit or advances against corporate contracts.
- Partner with training institutions to provide targeted training with specific outreach to women: Programs should provide childcare and lead to specific supply chain opportunities.
- Develop a knowledge-sharing and feedback mechanism for minority applicants and suppliers: This enables suppliers and potential suppliers to learn from each other.

- Communicate to Tier 1 and 2 suppliers and contractors that they are responsible for implementing the code of conduct and diversity and inclusion targets in their contracting.
- Review and revise the company's internal communications on the updated local procurement plan:
 - Consider adding incentives and accountability for implementing the updated plan
 - Ensure that all staff are familiar with the plan
 - Identify communication strategies to inform staff of changes and additional updates
 - Provide training on the updated policy for all staff with procurement responsibilities
- Review and revise the ways in which the company communicates to the public about RFX.

Action item 5. Identify and secure additional resources needed to implement the plans.

Update the budget to include expenditures associated with gender diversification.

Additional costs may include:

- **Staff:** Will additional staff or consultants be required for the training or mentorship activities?
- **Compensation:** Will staff who offer mentorship services be compensated, or will there be a monetary reward for the staff member that provides the most voluntary mentoring?
- **Services:** How many trainings or mentorship activities will be developed, and at what cost per event?
- **Contracts:** If the company plans to provide loans to SMEs to support development and/or as advances on contracts, determine the source of funding, loan structure, and interest rate schedule.
- **Communication:** Determine the additional costs associated with targeted communications designed to connect with the community and women-owned businesses. It might be possible to share costs with other departments, such as community engagement, or with external partners, like the local chamber of commerce. Be sure to identify the potential savings that might come from this cost-sharing approach.

TOOL 2.7

Support Development of Local Women-Owned Businesses

- » **GOAL:** Cultivate women-owned businesses so they can support supply chain needs
- » **TARGET UNITS:** Procurement, Community Engagement

If you are operating in communities where few women-owned businesses have sufficient skill and capacity to support supply chain needs, you might want to provide support so that they ultimately can become a part of the corporate supply chain. Sharing the workload so the effort becomes a joint procurement/community engagement activity can yield broader dividends, including expanding the local procurement base, increasing local economic development, and building positive community relationships.

This tool provides guidance on how to develop women-owned businesses, following a process that includes:

- Assessing and identifying constraints to women's entrepreneurship
- Identifying existing potential partners such as business incubators and local financial institutions
- Creating activities to build the capacity of local women-owned businesses in a collaboration between procurement and community engagement teams
- Monitoring impact on local procurement, local economic development, and women's economic empowerment

Detail on each is provided below.

Needs Assessment

To effectively address barriers and support the development of women-owned businesses, companies need to understand what is getting in the way. An assessment of barriers and opportunities for women's entrepreneurship in a given community will help.

Common Constraints for Women-Owned Businesses

Women face a range of constraints to entrepreneurship, including:

- **Barriers to accessing finance:** Female entrepreneurs often have a harder time accessing financing than men do. Women can face greater challenges getting loans: interest rates may be set higher or loan values may be smaller, especially as women are more likely to use informal funding sources, such as family or church. Although microfinance institutions have proven a popular source of credit for women, these institutions also impose limitations on the size of the organization applying for the

BOX 2F | Winning Women: EY’s Multi-Regional Program to Help Female Entrepreneurs Scale

The EY Entrepreneurial Winning Women program targets “the missing middle”—female founders who have built profitable small companies but have not yet found the essential tools needed to scale sustainably. Through offering participants expert business advice, national exposure, coaching on soft skills like building confidence and vision, networking, and community building with peers, EY’s program has assisted over 500 participants in 48 countries worldwide with impressive results. On average, program participants experienced an increase of 35% in compound annual growth and a 166% increase in headcount at their companies since becoming members of Winning Women. More than three quarters (77%) of female entrepreneurs said that the program helped them to find advisors and role models.

Source: EY “[Entrepreneurial Winning Women Program](#)”

loan, creating a challenge for women who want to expand their businesses to meet corporate contracting requirements.

- **Limited control of finances:** In some countries, women face legal and cultural restrictions on controlling their own finances. They might not be permitted to have their own bank accounts. They might not have any decision-making authority over how to spend or invest family finances. For aspiring female entrepreneurs, this could create serious challenges to starting a business. If women need to rely on a male relative to access to their accounts, their savings could be at risk.
- **Legal constraints on other aspects of entrepreneurship:** Beyond limited access and control over finances, women may face other obstacles, such as limited ability to own property or to list property in their name. They could be prevented from having their own passports or other forms of identification, which can be critical to starting a business.
- **Cultural norms limiting women’s time, mobility, and independence:** Family and cultural obligations can get in the way of running a business. Other challenges include restrictions on speaking or meeting with strangers, limited mobility, and primary childcare responsibilities— all of which make it more difficult to pursue an entrepreneurial dream.
- **Lack of key skills:** In many communities, women may have less exposure to business education, including financial and management training.
- **Lower risk tolerance:** Studies indicate that women may approach risk and investment differently than men, with lower risk tolerance.

- **Limited infrastructure:** Better roads and transportation infrastructure can facilitate women’s access to finance and markets, with a strong positive impact on women’s economic engagement and entrepreneurship.

Identification of Potential Partners

Partners that collaborate to support the development, financing, and sustainability of local women-owned businesses can catalyze a greater impact beyond your company’s efforts. Partnerships to explore include:

- Existing business development resources: Such as business incubators, local entrepreneurship competitions or resources, and the local chamber of commerce
- Financial institutions: Commercial and microfinance banks, grant-making organizations, or non-governmental organizations and non-profits aimed at promoting financial literacy and inclusion
- Mentorship organizations: To support or facilitate mentorship for local women entrepreneurs
- Business development incubators or capacity building/training centers

BOX 2G | Boyner Group Strengthens its Supplier Base Through Capacity Building

The Boyner Group is Turkey’s largest publicly traded non-electronics retailer. Female-owned suppliers make up 17 percent of its vendor base—double the Turkish average. Still, the company has recognized that women-owned businesses face unique obstacles in becoming suppliers to major buyers.

Working in partnership with IFC, the company designed a 12-week program to build the capacity of women-led small companies that have the potential to become part of a corporate supply chain. The “Good for Business” program trains female entrepreneurs and connects them with mentors, financial institutions, and brands that could help advance their businesses.

In addition to building skills and providing mentoring and financial support for these small businesses, the program yielded dividends for the Boyner Group as well, in the form of a stronger and more diversified supplier base.

Source: Boyner Group and IFC, [“Case Study: Boyner Group’s Supply Chain Strengthens Women in Business.”](#)

Partnerships with the types of organizations listed above can be implemented with a view to building the capacity of businesses that may be able to directly contribute to your supply chain or as part of a community engagement and resilience plan, which may also support businesses that are part of the broader economic landscape. For both, business development curriculum should include modules on business skills, registration and licensing, financing, business, and financial management.

In addition to building skills, training programs should include ongoing support during the first few years after business startup given that a disproportionate number of new businesses fail³².

Evidence has shown that such training partnerships can yield results. For example, a South African business development center associated with Rio Tinto's Richard's Bay Minerals project has helped develop over 60 local businesses. The center has created linkages with banks and partnered with Monash University on a program to certify local entrepreneurs in business management. Most of the program participants have been women and young people.

Customized Support Programs

To build the capacity of women-owned businesses and support increased engagement with these businesses, activities should be customized to address specific local circumstances and community-specific constraints:

- Support innovation to develop ideas rooted in local context and ideas: Launch local innovation challenges for women-owned businesses and provide support (for instance, through a local training center) for scaling and growth. The Good for Business program, developed by the Boyner Group in partnership with IFC (see Box 2G) helps develop women entrepreneurs while diversifying and strengthening the company's own supply chain.
- Review internal procurement policies: Ensure that they are supportive of smaller, women-owned businesses. Look at the ways in which contracts are bundled. Also take a look at supplier financing terms to make sure that the current approaches are not creating unfair disadvantages for smaller businesses.
- Finance businesses: Collaborate with local finance institutions to promote and incentivize women's access to finance. Efforts could include:
 - Training local financial institutions on the benefits of women's financial engagement. In many communities, cultural norms may mean that the financial institutions

³² [Data from the U.S. Government](#) suggests that 20% of new businesses fail within one year, 45% within three years, and 65% within 10 years.

themselves are biased against women-owned businesses. Working with banks to address these biases as part of a comprehensive program to support increased access to finance for women-owned companies can be an important first step.³³

- Supporting efforts by local financial institutions to educate female entrepreneurs on the fundamentals of banking and credit, including how to secure credit and grow their businesses.
- Collaborating with local financial institutions to provide low-interest loans for women (could be tied to participation in various training or incubation activities), and to facilitate loan collateralization for women-owned businesses.
- Set up mentorships: Connect successful women-owned businesses with female-owned startups and company executives with local female entrepreneurs.
- Consider complementary approaches to increase sustainability: Evidence indicates that isolated approaches—such as offering financing without business management training—are less likely to result in long-term business sustainability.³⁴

Monitoring Progress

In tracking and evaluating various business development activities, consider effectiveness in building a more gender-diverse local procurement base. Tracking also should measure broader contributions to local economic development and women's economic empowerment.

³³ IFC and GPFI, *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*, 6.

³⁴ Urban Institute, *"Six Lessons on What Works in Supporting Women-Owned Businesses."* Washington, DC: Urban Institute, 2016.

TOOL 2.8

Guidance Note on Women-Owned Businesses and Public Procurement in Cities

- » **GOAL:** Provide guidance for cities on how to gender diversify public procurement and support the growth and thriving of local women-owned businesses in the municipality
- » **TARGET UNITS:** City leadership, city procurement departments

Public procurement accounts for around one-fifth of global gross domestic product, and yet women-owned businesses secure only around 1% of these contracts by value³⁵. In emerging markets, public procurement represents an even higher share of GDP (at around 30%). Public procurement is therefore a powerful tool that governments and municipal authorities possess to accelerate gender-inclusive economic growth and reduce gender gaps in the labor market, while also realizing the benefits of gender-diverse suppliers that are enumerated elsewhere in this tool suite.

World Bank research indicates that women-owned businesses are most predominant in the small and medium enterprise (SME) sector, accounting for around 40 percent of the market. Targeting support to this sector is therefore already a helpful proxy for increasing support to women-owned businesses. Given the importance of small businesses in job creation, cities adopting this approach can effectively leverage their procurement processes to bolster local economic growth, increase employment, and ultimately generate more tax revenues. Ensuring the inclusion of women is central to realizing the economic gains from diversification of city procurement systems. It is important to note that cities may be prohibited by local ordinances or national legal frameworks from introducing preferential access policies for women or minority-owned businesses. In other jurisdictions, such as South Africa for example, the opposite may be true—legal measures may compel city governments to introduce positive discrimination to redress the economic disadvantages suffered by historically marginalized groups. However even without preferential access policies, cities still have several measures at their disposal to improve diversification in public procurement.

Approaches for Cities to Consider

1. Creating a baseline of data

To design appropriate interventions and set realistic targets for improvement, cities must start with an assessment of their current procurement performance. **TOOL 2.2** provides

³⁵ World Bank Group, *Benchmarking Public Procurement 2016: Assessing Public Procurement Systems in 77 Economies*, 2016.

a comprehensive self-assessment tool that municipal corporations can adapt to gather data. From this tool, key questions for cities to consider include:

- Where do businesses register themselves as potential suppliers for city contracts? Does this happen online, or in person at an office, or via a third-party organization? How accessible is the process for micro, small and medium enterprises?
- Does your city require/enable businesses to identify as women-owned, and if so, what are the criteria used? Does the city differentiate between women-owned businesses, and those that employ majority women?
- Are there incentives or benefits in place for women-owned businesses (i.e., is there preferential contracting for women-owned businesses)?
- What are the main barriers faced by women-owned businesses in the municipal area? Which organizations are helping to meet these needs, and where do gaps remain?
- Where are city contracts advertised? Are all contracts and awards publicly accessible online?
- What number and percentage of suppliers registered on city databases are women-owned?
- What is the current absolute dollar value and percentage of city contracting annually going to male-owned versus female-owned businesses?

2. Tackling asymmetries of information

One of the main reasons for the low proportion of women-owned businesses in public procurement spend is asymmetries of information—lack of knowledge of contracting opportunities and how to apply for them. Active outreach efforts are required by cities to seek out and help register more women-owned businesses to their municipal database, ideally working with trusted local partners such as trade associations or NGOs which already have connections to female entrepreneurs. In some cities, including the U.S. city of Charlotte for example, municipal authorities have invested in training city staff to be more active in seeking out local SMEs and helping them to register on the public procurement database³⁶. Barriers to entry for firms wishing to register as vendors to bid on city contracts should be as low as possible, so that micro enterprises are also able to participate in relevant tenders.

3. Including gender criteria and/or certification for women-owned businesses

Gathering gender workforce data from businesses bidding for public contracts can be a useful way for cities to understand the impact of procurement on indirect employment

³⁶ Elizabeth Reynoso and Kristen Scheyder, [“Five Cities that are Buying into Equity.”](#) Living Cities, 2017.

and to flag to suppliers that gender inclusion is a municipal priority—incentivizing suppliers to recruit more women without explicitly making gender performance a criteria of bid evaluation. In Chile, for example, the public entity leading gender action planning on procurement, ChileCompra, launched the Sello Empresa Mujer (Women Supplier Certification) scheme in 2015 to help procuring entities identify women-led enterprises, as well as those with a more than 50 percent female workforce. The certification can be requested as an evaluation criterion to be included in tender documents or to demonstrate social impact in direct contracting bids below US\$700. In combination with other measures such as training, formation of women’s associations, and regulatory reforms, Chile’s program has achieved impressive results. The share of women participating in the public procurement system reached 36.5 percent in 2016, a figure that corresponds to more than 21,345 women quoting on tenders, offering contract terms, or receiving purchase orders. In comparison, women-owned businesses in the United States secure fewer than 5% of federal contracts³⁷.

4. Training, mentoring, and networking

To actively support women suppliers and build a pipeline of more successful women-owned businesses, cities can implement additional programs. Training covering topics such as leadership, financial management, confidence building, and marketing can offer direct skills to participating entrepreneurs while also providing the benefit of a certification from a city-endorsed training scheme. Furthermore, entrepreneurs can network—face to face or online—with other participating small businesses, leading to potential partnerships, peer support, and other useful collaboration to promote the role of women in public procurement. Cities may also consider a mentorship program; this was another successful component of the approach taken in Chile, where participating suppliers received customized assistance to help increase their business opportunities with the state. The program followed a ‘group mentorship’ methodology, supported by an expert in entrepreneurship coaching. Its goal was to develop and boost personal and interpersonal skills in a way that would have a positive impact on participants’ business with the state³⁸. Meanwhile in the U.S. city of Houston, the Department of Public Works and Engineering is has introduced a mentor-protégé program that enlists successful city engineering contractors to build relationships with subcontracting firms. The goal is to move firms owned by women and entrepreneurs of color from subcontracting to prime contracting. Mentor firms help protégés acquire new skills, learn new business practices, and strengthen project bids³⁹.

³⁷ Chatham House, [Gender-Smart Procurement Policies for Driving Change](#). 2017.

³⁸ Ibid.

³⁹ Living Cities, [“Four Innovative Procurement Tactics Cities are Using to Increase Equity.”](#) 2017.

5. Presenting case studies of success to encourage greater female participation

In order to showcase the experience of female entrepreneurs to buyers and the public, cities can design information campaigns to share the successful stories of female suppliers. In so doing, cities not only encourage more women entrepreneurs to bid for public contracts, but also have an opportunity to more widely advertise the range of programs and initiatives they have put in place to level the playing field.

TOOL 2.9

Sample Needs Assessment Questionnaire to Develop a Coaching Program for Women-Owned Businesses

- » **GOAL:** Offer a template needs assessment questionnaire for companies seeking to develop a coaching program for female entrepreneurs who are current and potential future suppliers
- » **TARGET UNITS:** Procurement, Community Engagement

The World Bank's latest multi-country research into the challenges faced by women-owned businesses suggests that the lower profits women entrepreneurs earn are due to three factors: lack of capital, choice of sectors, and business practices. This tool is focused on responding to the third factor—business practices. Interventions proven to help women-owned businesses in this area include skills training that focuses less on technical business training alone, and more on combining commercial know-how with encouraging women to develop proactive behaviors like building confidence, perseverance, and initiative. Such approaches have been found to increase profitability of women-owned businesses by up to 40 percent⁴⁰. Group coaching is an alternative but complementary approach to training which tends to be focused on the acquisition of a specific skillset. Its methodology specifically focuses on empowering participants to find the path towards building soft skills and community self-reliance that works best for them, according to their strengths and priorities. This tool lays out a needs assessment to gather data from female entrepreneurs, which can then be used by a professional to design a coaching program. It is recommended that companies intending to support business owners in this way engage the services of a qualified coach or coaching firm to design and implement the program, either online or face to face.

Sample Needs Assessment Questionnaire for a Coaching Program

Name of business:

Name and title of respondent:

Sector of business activity:

Number of employees:

Year of business creation:

⁴⁰ World Bank Group, "[Profiting from Parity: Unlocking the Potential of Women's Business in Africa](#)," 2019.

-
1. I want to clarify my overall vision and plan for the future, including setting goals. a. Yes b. No c. Not sure

 2. I have a clear idea of my greatest personal strengths. a. Yes b. No c. Not sure

 3. I want to develop a plan for my own personal growth and development. a. Yes b. No c. Not sure

 4. I can name the three things that are most important to me in life. a. Yes b. No c. Not sure

 5. I am living my life in alignment with those priorities. a. Yes b. No c. Not sure

 6. On a scale of 1–10, how happy are you with your life right now? 1 2 3 4 5 6 7 8 9 10

 7. On a scale of 1–10, how motivated are you in your work/personal life? 1 2 3 4 5 6 7 8 9 10

 8. On a scale of 1–10, how stressed do you feel right now? 1 2 3 4 5 6 7 8 9 10

 9. I want to design a better approach to doing the things I need to do. a. Yes b. No c. Not sure

 10. I want to find ways to improve my confidence. a. Yes b. No c. Not sure

 11. I'm getting feedback that I need to change a behavior. a. Yes b. No c. Not sure

 12. I want to improve my leadership presence. a. Yes b. No c. Not sure

 13. I would like to get more comfortable with having difficult conversations. a. Yes b. No c. Not sure

 14. I want to build better relationships. a. Yes b. No c. Not sure

 15. I'm struggling to balance personal life with work. a. Yes b. No c. Not sure

 16. I have a clear idea of what success means to me. a. Yes b. No c. Not sure

 17. How will you know when you are receiving value from the coaching process?
-

MONITOR AND SUSTAIN: TOOL 2.10

The only way to know for sure that you have made headway on supply chain gender diversity goals is to track progress. Globally, there is a push for companies across the range of sectors to disclose more information about their engagement with women-owned companies as part of a broader drive to encourage more reporting on non-financial aspects of company operations. Box 2H highlights one such initiative for U.S. companies.

BOX 2H | Major U.S. Multinationals Commit to Tracking Supply Chain Diversity

In March 2017, nine American corporations formed a coalition committed to tracking and reporting their sourcing from women-owned businesses. Companies in the coalition include Walmart, Campbell Soup Company, The Coca-Cola Company, ExxonMobil, General Mills, Johnson & Johnson, Mondelēz International, PepsiCo and Procter & Gamble.

According to Doug McMillon, CEO of Walmart, “Our customers care where products are sourced, and we believe supporting women-owned businesses helps us put innovative products on our shelves while helping these businesses thrive and grow.”

Pamela Prince-Eason, president and CEO of the Women’s Business Enterprise National Council (WBENC), echoed McMillon’s statement: “By participating in this initiative, these companies will help fuel innovation and growth for women-owned businesses across the U.S. With women-owned businesses currently supporting the creation or maintenance of 23 million American jobs, investing in their growth means investing in more opportunities for the workforce overall.”

Source: Walmart, “[Top WBENC Consumer Companies Join Together for the First Time in Collective Initiative to Source from Women-Owned Businesses.](#)”

TOOL 2.10

Indicators to Monitor Progress on Supply Chain Gender Diversity Goals

- » **GOAL:** Track and support progress on building a more gender-diverse supply chain
- » **TARGET UNITS:** Community Engagement, Human Resources, Procurement

Here are some key indicators for monitoring and evaluating progress on increasing engagement with women-owned businesses in your supply chain.

Performance Metrics

Measure performance as a result of supplier diversification, based on:

- Percentage of spend with women-owned business suppliers
- Percentage of all suppliers who qualify as women-owned businesses
- Percentage of suppliers meeting or exceeding expectations
- Change in procurement spend compared with pre-supplier diversification initiatives
- Change in average contract size
- Average contract size for women-owned businesses

Impact on Suppliers

Measure progress for participants in supplier diversification programs based on:

- Number of participating women-owned businesses that report changes or improvements in business processes as a result of the program, such as new management practices, better working conditions, improved products, increased distribution channels, new markets
- Number/percent of women-owned supplier participants who indicated that they were satisfied or very satisfied with the program
- Number of women-owned businesses trained
- Change in the number of women employed by SMEs/suppliers
- Change in the number of workers employed by women-owned suppliers/vendors/contractors

Selected Resources for Further Reading

Identifying and Sourcing from Women-Owned Businesses

- SheTrades, an initiative of the International Trade Center, shetrades.com.
- UN Women, [*The Power of Procurement: How to Source from Women-Owned Businesses*](#), New York: UN Women, 2017.

Improving Supplier Diversity

- Connaughton, Patrick and Gibbons, Laura, [*"Beyond Compliance: Top Supplier Diversity Programs Aim to Broaden Value Proposition."*](#) Atlanta: The Hackett Group, 2016.
- EY, [*"Scaling Up: Why Women-Owned Businesses Can Recharge the Global Economy,"*](#) EYGM, 2009.
- Goldman Sachs, Global Markets Institute, [*"Giving credit where it is due: How closing the credit gap for women-owned SMEs can drive global growth,"*](#) Goldman Sachs, 2014.
- IFC, [*"Case Study: Boyner Group's Supply Chain Strengthens Women in Business,"*](#) Washington, DC: IFC, 2016.
- IFC, [*Entrepreneurship and Gender*](#), April 13, 2017.
- IFC, [*Guide to Getting Started in Local Procurement*](#). Washington, DC: IFC, 2011.
- IFC, [*SheWorks: Putting Gender Smart Commitments into Practice*](#). Washington, DC: IFC, 2016.
- IFC, [*Women-Owned SMEs: A Business Opportunity for in Financial Institutions*](#). Washington, DC: IFC, 2014.
- International Trade Center (ITC), [*"Unlocking Markets for Women to Trade,"*](#) (2016) and [*"Empowering Women through Public Procurement,"*](#) (2014).
- London, Ted; Scott, Linda; and Fay, Colm, [*"Incorporating Small Producers into Formal Retail Supply Chains: Sourcing Readiness Checklist,"*](#) Ann Arbor: William Davidson Institute & Oxford University Consulting, 2016.
- Pluess, Jessica David, [*"Women's Empowerment in Global Value Chains: A Framework for Business Action to Advance Women's Health, Rights, and Wellbeing,"*](#) *Business for Social Responsibility* (BSR), 2016.
- Urban Institute, [*"Six lessons on what works in supporting women-owned businesses,"*](#) Washington, DC: Urban Institute, 2016.
- Vazquez, Elizabeth and Frankel, Barbara, [*"The Business Case for Global Supplier Diversity and Inclusion: The Critical Contributions of Women and Other Underutilized Suppliers to Corporate Value Chains,"*](#) Washington, DC: WEConnect, 2017.
- World Bank Group, [*"Women in the Supply Chain,"*](#) Washington, DC: World Bank, 2015.

Local Procurement Reporting

- Geipel, Jeff and Lempa, Kristian, [“Mining Local Procurement Reporting Mechanism,”](#) Mining Shared Value and GIZ, 2017.

Supplier Diversity Code of Conduct

- Royal Bank of Scotland, *Supplier Diversity & Inclusion Code of Conduct: Adopting the Code.*
- WEConnect International and Royal Bank of Scotland, [Supplier Diversity & Inclusion Code of Conduct.](#)
- WEConnect International, [Global Supplier Diversity & Inclusion: Reaching the Gold Standard,](#) Washington, DC: WEConnect International, 2015.

Bibliography

- Niels Bosma et al, [“Global Entrepreneurship Monitor Report 2007”](#) Babson College, 2007.
- Boyner Group and IFC, [“Case Study: Boyner Group’s Supply Chain Strengthens Women in Business,”](#) Washington, DC: IFC, 2016.
- Connaughton and Gibbons, [“Beyond Compliance: Top Supplier Diversity Programs Aim to Broaden Value Proposition,”](#) Atlanta: The Hackett Group, 2016.
- Deloitte and BIAC, [Putting All Our Ideas to Work: Women and Entrepreneurship,](#) Paris: BIAC, 2015.
- ExxonMobil. “Women’s Economic Opportunity: An Award-Winning Mobile Service for Women Entrepreneurs.” 2018.
- EY, [“Scaling Up: Why Women-Owned Businesses Can Recharge the Global Economy,”](#) New York: EY, 2009.
- IFC, [“Banking on Women: Changing the Face of the Global Economy.”](#)
- IFC, [Entrepreneurship and Gender.](#)
- IFC, [“Guidance Note 2: Labor and Working Conditions,”](#) Washington, DC: IFC, 2012.
- IFC, [“Guide to Getting Started in Local Procurement,”](#) Washington, DC: IFC, 2011.
- IFC, [“Performance Standards on Environmental and Social Sustainability,”](#) Washington, DC: IFC, 2012.
- IFC, [“Putting Gender Smart Commitments into Practice: SheWorks One Year Progress Report,”](#) Washington, DC: IFC, 2015.
- IFC, [“Women Entrepreneurs are Essential for Private Sector Development in Emerging Markets,”](#) Washington, DC: IFC, 2015.

- IFC, [“Women-Owned SMEs: A Business Opportunity for Financial Institutions,”](#) Washington, DC: IFC, 2014.
- IFC and GPFI, [“Strengthening Access to Finance for Women-Owned SMEs in Developing Countries,”](#) Washington, DC: IFC, 2011.
- Niethammer, Carmen, [“Women, Entrepreneurship, and the Opportunity to Promote Development and Business,”](#) Washington, DC: Brookings, 2013.
- Pauktuutit Inuit Women in Business Network, [“Opportunities in Mining Procurement.”](#)
- Rio Tinto. “Strong Links in the Chain.”
- Royal Bank of Scotland, *Supplier Diversity & Inclusion Code of Conduct: Adopting the Code*, Edinburgh: RBS.
- UN Women, *Corporate Guide to Gender Responsive Procurement*, New York: UN Women, 2017.
- UN Women, [“The Power of Procurement: How to Source from Women-Owned Businesses,”](#) New York: UN Women, 2017, 29.
- Urban Institute, [“Six Lessons on What Works in Supporting Women-Owned Businesses,”](#) Washington, DC: Urban Institute, 2016.
- VanderBrug, Jackie. [“The Global Rise of Female Entrepreneurs,”](#) *Harvard Business Review*, September 4, 2013.
- Valikai, Kara, [“Why Bringing Women Owned Business into the Supply Chain Makes Business Sense,”](#) Devex, 2013.
- Walmart, [“Top WBENC Consumer Companies Join Together for the First Time in Collective Initiative to Source from Women-Owned Businesses,”](#) March 29, 2017.
- WEConnect International, “Global Supplier Diversity & Inclusion: Reaching the Gold Standard,” Washington, DC: WEConnect, 2015.
- WEConnect International and Royal Bank of Scotland, [“Supplier Diversity & Inclusion Code of Conduct,”](#) Edinburgh: RBS.
- World Bank, [“The Global Findex Database 2014,”](#) Washington, DC: World Bank, 2015.
- World Bank, [“Women, Business and the Law: Getting to Equal,”](#) Washington, DC: World Bank, 2015.

For more information, please contact Adriana Eftimie (aeftimie@ifc.org) or Katherine Heller (kheller@ifc.org) or find out more at commdev.org/infra-gender-toolkit.