

Measuring Your Diversity Impact

Evidence vs Theory.

A lot of people peddle theoretical models that estimate your impact based off of limited data.

Theoretical models aren't fact. You can bring a theoretical number to the CEO, but if he asks you to prove it, what will you do then? It's advised that you collect real data from those who employ the people – no one knows the jobs they created better than the suppliers who have created those jobs.

Something for Everyone.

What speaks to you may not speak to someone else. Some people are numbers-people. Some people like to read stories. Some people like to hear the words of someone else. What you look to see from Supplier Diversity may be different than HR, D&I, Sales & Marketing, the CPO, and the CEO want to see from it. You need to be able to run reports that covers a wide audience.

Where to Start?

Measuring your impact is not a commodity. There are broad studies out there to use as a reference, but you might find they don't help you to tell your story at all. Some government data may be useful – the Bureau of Labor Statistics produces national wage data per industry and state that might help you guess at how many jobs you support. But in the end, this comes down to data analysis – and most people are not data analysts. So our tip is to reach out to someone who specializes in this and see what makes sense for your company.

Next steps:

1. **Don't assume you're too small:** other companies you know may spend more than you, but you can be assured that your spend keeps people employed, no matter what it is.
2. **Know your suppliers.** You can't tell a good story about your impact if you treat all suppliers the same. For example, working with a startup vendor may show job creation, while working with a 50-year old company won't – but you'll see jobs maintained year-over-year.
3. **Distilling "impact" down to a single number is not useful.** Saying you created 1,000 jobs means nothing if we don't know what communities have those jobs and where jobs are.
4. **Impact is a two-way street.** This as an opportunity to gauge internal impact. Do diverse suppliers contribute to your bottom line?
5. **Once isn't enough.** You find out your impact. Great. Now what? Use what the data tells you to affect change that may increase impact. Then measure again the following year to see if it worked. Make this a part of continues improvement.