



What Is a Diverse Supplier?

Diversity certification is an important milestone in the life of a supplier because it authenticates that the business is owned, managed, and controlled by a qualifying diverse group. Certification also opens the door for opportunities to contract with the federal government, which has a mandate to increase the number of diverse suppliers within an organization's supply chain.

Entities such as the Women's Business Enterprise National Council (WBENC), focus on assuring that businesses are appropriately categorized by offering third-party certification services recognized nationally. Regional councils and state and local governments also offer certification service.

Why Is Supplier Diversity Important?

A Supplier diversity commitment benefits a company because it:

- Promotes innovation through the entrance of new products, services, and solutions
- Provides multiple channels from which to procure goods and services
- Displays an organization's commitment to doing business, beyond consumerism, in diverse markets and showcases the company's interest in and commitment to the economic growth of all communities.



Supplier diversity programming adds economic value, because it encourages the growth of diverse businesses. As small businesses grow, so will our nation's economy. Because most diverse businesses are small businesses, they aid in the economic recovery and sustainability of their communities. According to [a report published by NMSDC](#), the nearly 12,000 diverse businesses certified by NMSDC as of August 2014 had a total economic impact of more than \$400 billion in output. These minority-owned small businesses drove the creation of and/or preservation of more than 2.2 million jobs held by persons who find themselves either directly or indirectly employed by NMSDC-certified MBEs. These same minority suppliers also generated close to \$49 billion in tax revenue for the benefit of local, state, and federal governments.