



# HAVE HER BACK

**THE STATE OF  
SUPPLIER DIVERSITY:  
Opportunities – and Headwinds –  
to Achieving Women & Diverse  
Supplier Goals**

**Proprietary Research &  
Offering**

# The state of supplier diversity

By 2025 companies globally expect to increase their spend with women and minority owned suppliers by 50%.<sup>1</sup>

Many large global and regional companies are communicating these goals with WBEs and MBEs in ESG/Global Diversity reports and public communications.

Retention is as important as attraction when meeting supplier diversity goals. It takes **5-7x the resources** to acquire a new partner as it does to retain a new partner.<sup>2</sup>

Partner contracts are what companies use as terms of engagement with the purpose to mitigate/eliminate risk of taking on partners.

The partner contract is a critical touchpoint with vetted, diverse suppliers and says a lot about the organization that presents it. Terms, conditions, and the process itself can indicate how clients value their diverse supplier relationships and reflect the intent behind their supplier diversity goals.

# The Question

What role do partner contracts play in engaging and retaining diverse suppliers?

# What we wanted to know

Have Her Back conducted proprietary research to further explore the partner contract relationship between small and diverse business suppliers and their larger company clients.

## OBJECTIVES

Better understand what opportunities exist for companies to achieve short and long-term supplier diversity goals.

Better understand the desired equity in relationship, processes, terms, and conditions from the POVs of small business suppliers and larger, client companies.

## APPROACH

- Survey among n=400 small business leaders
- 12 in-depth interviews with small business leaders
- 10 in-depth interviews with experts in law, procurement, and supplier diversity
- Survey with large business leaders

## METHODOLOGY

- Small Business Survey
- 15-minute online survey
  - Among small business suppliers who enter partner contracts with larger companies for the goods or services they provide
  - U.S. National Representation
  - Fielded September 2021

# Have you moved from a One-Size-Fits-All contract approach to a One-Size-Fits-Small?

Our proprietary research shows that in most cases, companies approach working with small businesses with the **same terms and conditions** as larger suppliers.

Our research also indicates negotiating partner contracts are one of the **least accommodating processes** small and diverse businesses go through when working with larger companies.

Small businesses – and client companies - widely recognize the partner contract **process is inequitable**, with small MBEs and WBEs notably affected.

**The result?** If you are a large company with equitable contract terms, you can stand out to MBEs and WBEs as a preferable partner to do business with. Conversely, MBEs and WBEs are walking away from working with large companies they perceive to have inequitable terms, conditions and processes, even after they've been vetted as preferred vendors.

# The Opportunity

**Companies can optimize the power of their contracting processes, terms and conditions to differentiate themselves in attracting and retaining valued diverse suppliers.**

# The Research

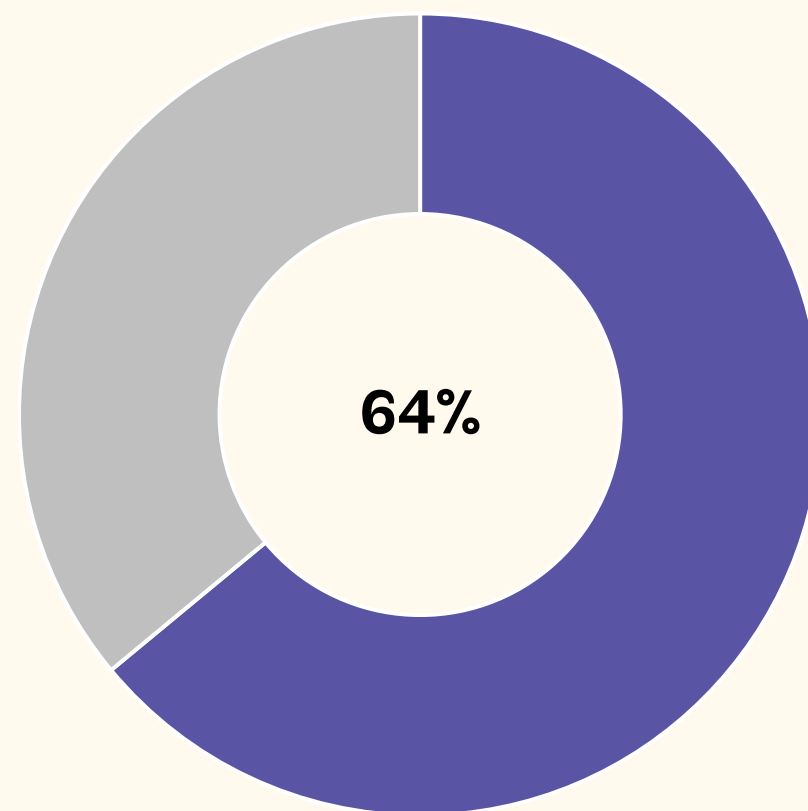
Highlights from our comprehensive research among Small Business leaders.

# The highlights

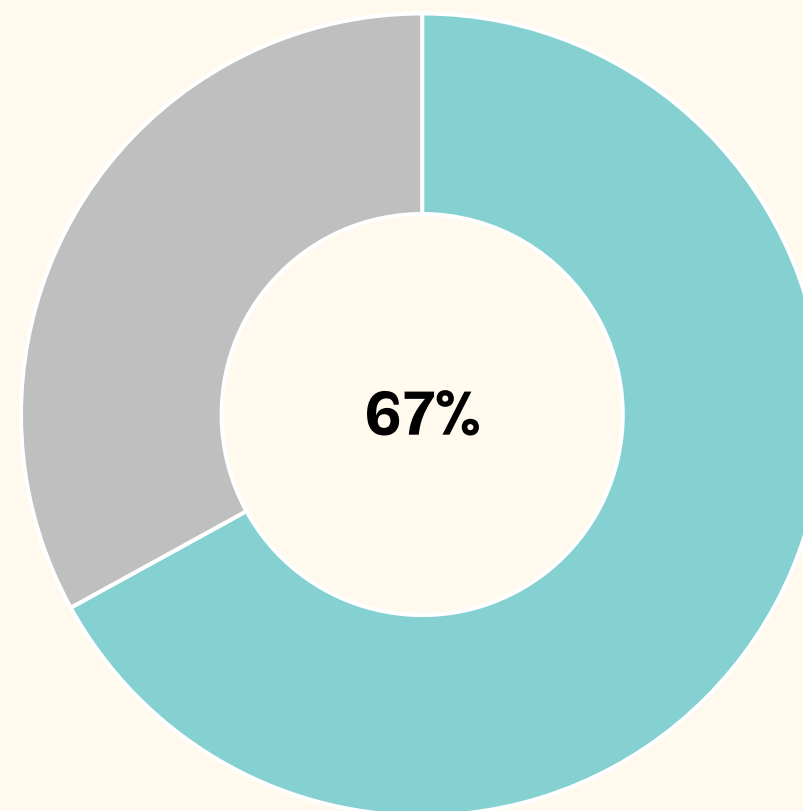
Small and diverse business vendors recognize the inequities in partner contract processes, terms & conditions.

**Agree: “MSAs are built with big businesses in mind and don’t represent the realities of my small business.”**

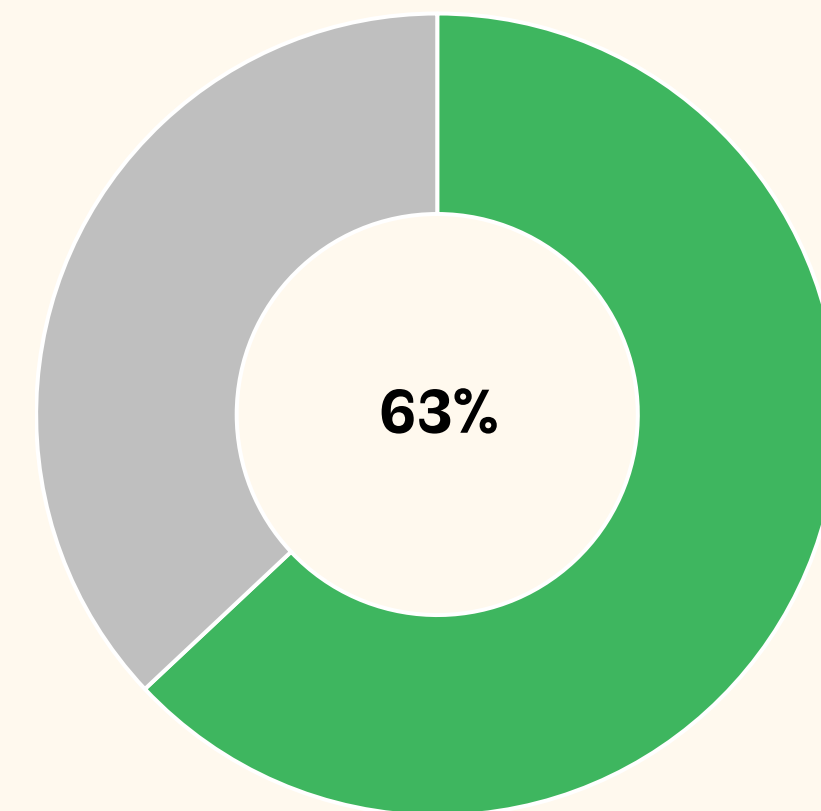
Total Small Business Sample



Minority-owned Businesses



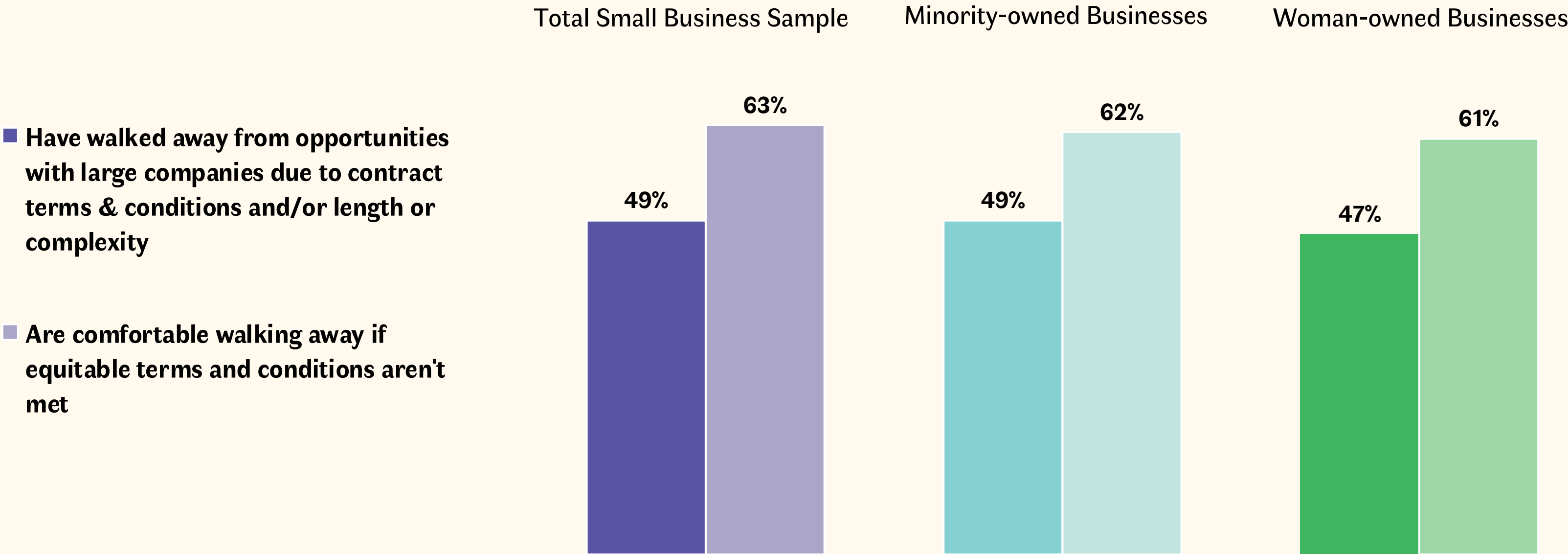
Woman-owned Businesses





# The highlights

An inequitable partner contract system can result in lost opportunities with MBEs and WBEs.



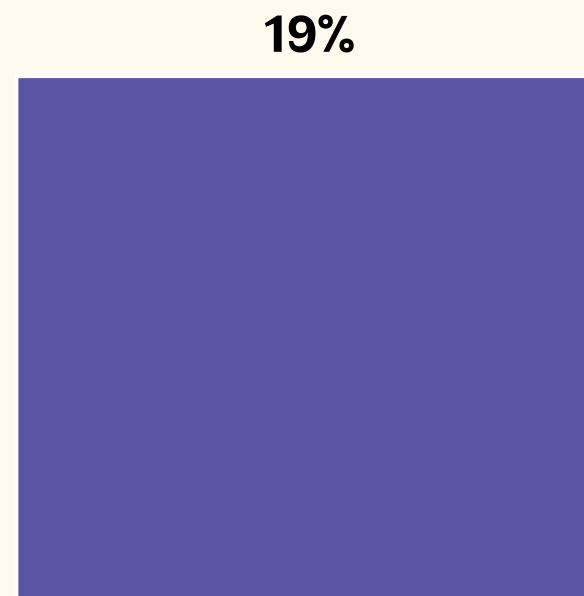
*\*Qualified Small Business Leaders met the following criteria: 1-99 employees in any location; entered into MSAs provided by “larger companies” in the last two years for products or services provided. Respondents were director-level or above with sole or shared responsibility for approval and compliance for MSAs. Data collected September 2021 (n=400).*

# The highlights

A negative experience also threatens retention of valued small and diverse business vendors.

**Agree: “I have refused to work with a company again due to a past MSA experience”**

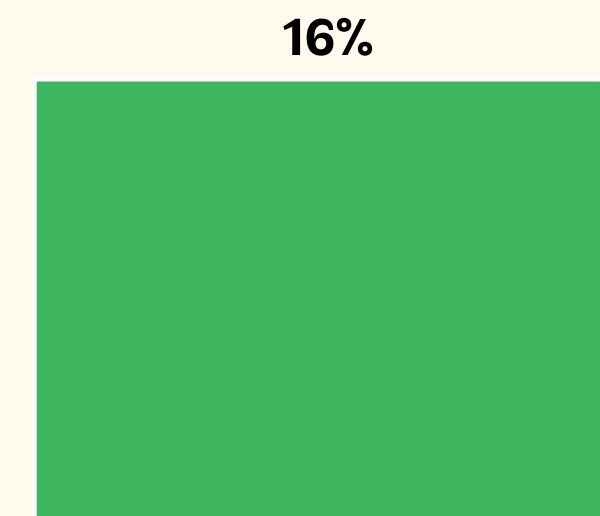
Total Small Business Sample



Minority-owned Businesses



Woman-owned Businesses



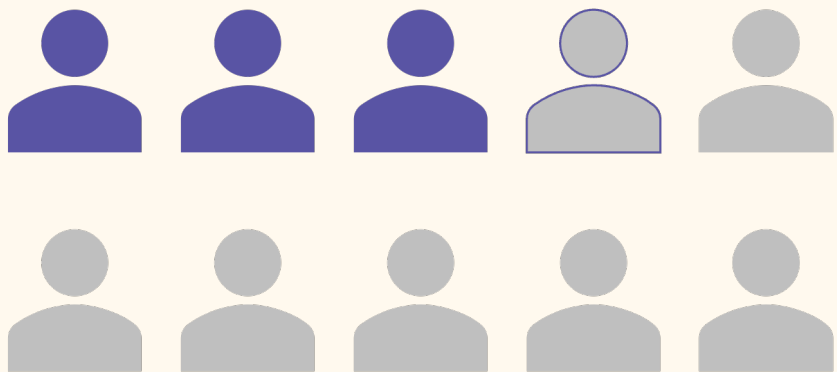
# The highlights

Over 3 in 10 small businesses have lacked confidence in their ability to comply with inequitable terms & conditions.

Agree: “I have agreed to terms and conditions despite concerns over my company’s ability to comply”

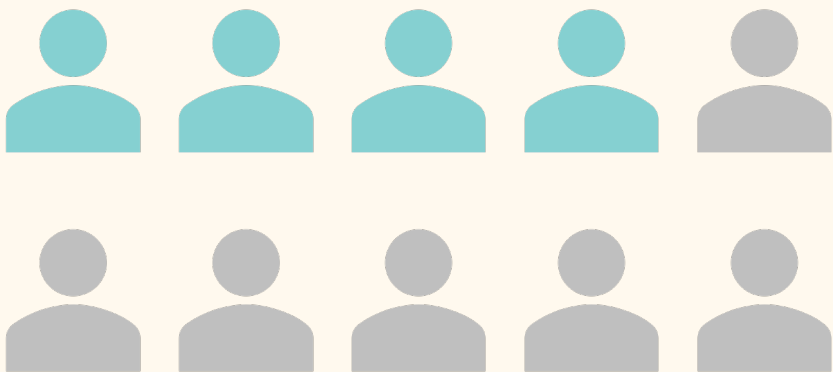
Total Small Business Sample

31%



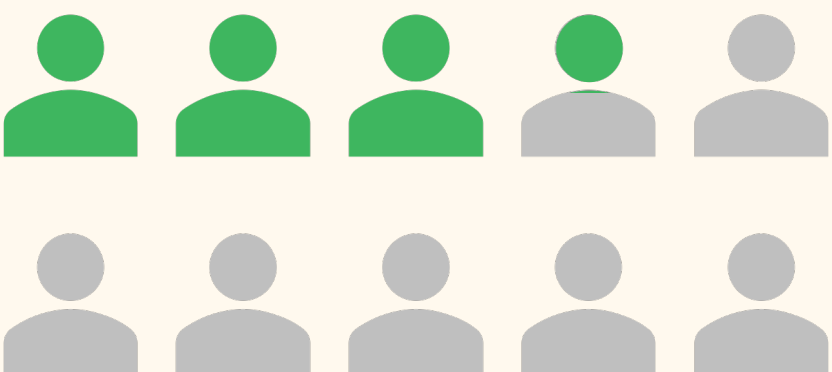
Minority-owned Businesses

40%



Woman-owned Businesses

33%



*\*Qualified Small Business Leaders met the following criteria: 1-99 employees in any location; entered into MSAs provided by “larger companies” in the last two years for products or services provided. Respondents were director-level or above with sole or shared responsibility for approval and compliance for MSAs. Data collected September 2021 (n=400).*

# The highlights

Negotiating partner contracts is a top tier pain point across small businesses, including MBEs and WBEs.

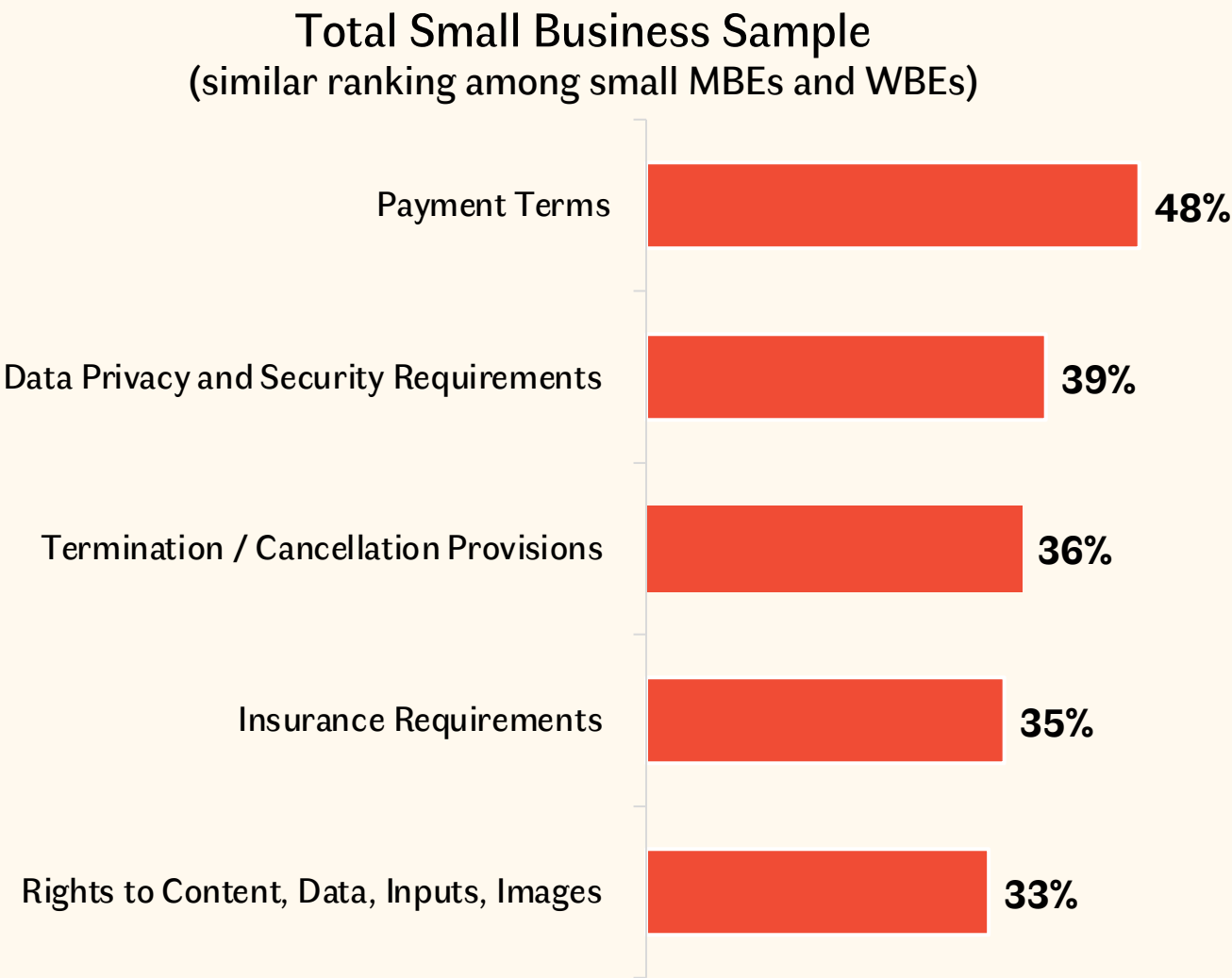
“When working with larger companies, what process is the least accommodating to your status as a small business?”  
*(Single Select)*

% Agree: Least Accommodating	Total Small Business Sample	Minority-owned Businesses	Woman-owned Businesses
<b>TOP TIER</b> (25%-34% agree)	<div>Negotiation of contract or MSA</div> <div>Getting on an approved supplier list</div>		
<b>MID-TIER</b> (11%-16% agree)	Onboarding process Performance reviews	Onboarding process	Performance reviews The RFP process
<b>LOWER TIER</b> (6%-10% agree)	The RFP process	Performance reviews The RFP process	Onboarding process

# The highlights

The terms & conditions small businesses deem most important are also among the most difficult to negotiate.

**Top 5 (of 17) terms & conditions most important to be fair and reasonable**



**Top 5 (of 17) terms & conditions most difficult to successfully negotiate with larger companies**

Total Small Business Sample	Minority-owned Businesses	Woman-owned Businesses
Termination / Cancellation Provisions	Data Privacy and Security Requirements	Regulatory Requirements
Payment Terms	Payment Terms	Termination / Cancellation Provisions
Regulatory Requirements	Insurance Requirements	Intellectual Property Rights
Insurance Requirements	Termination / Cancellation Provisions	Data Privacy and Security Requirements
Indemnification	Regulatory Requirements	Payment Terms

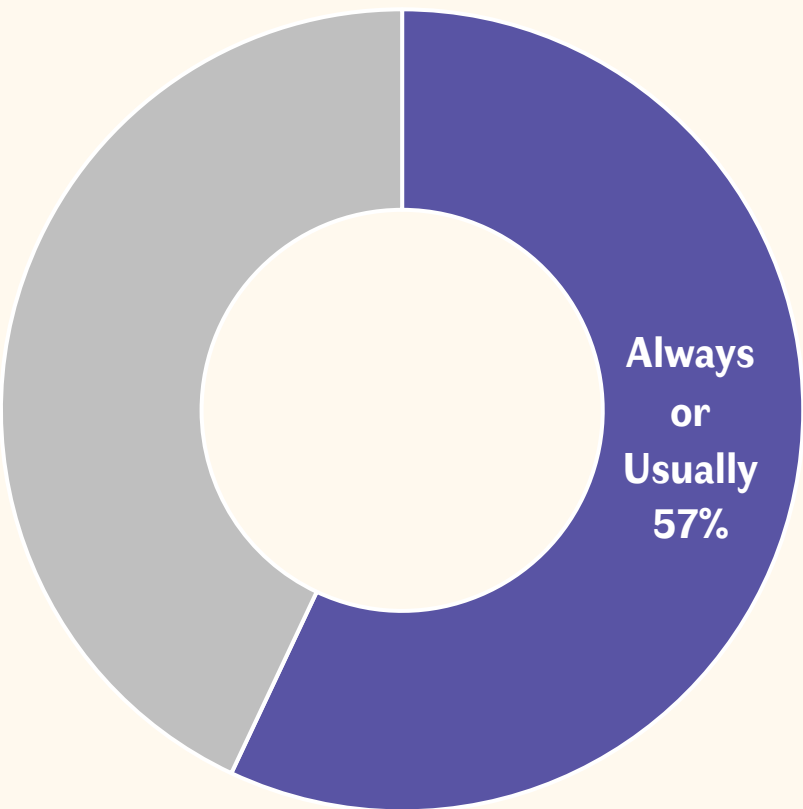
*\*Qualified Small Business Leaders met the following criteria: 1-99 employees in any location; entered into MSAs provided by “larger companies” in the last two years for products or services provided. Respondents were director-level or above with sole or shared responsibility for approval and compliance for MSAs. Data collected September 2021 (n=400).*

# Large businesses benchmarking

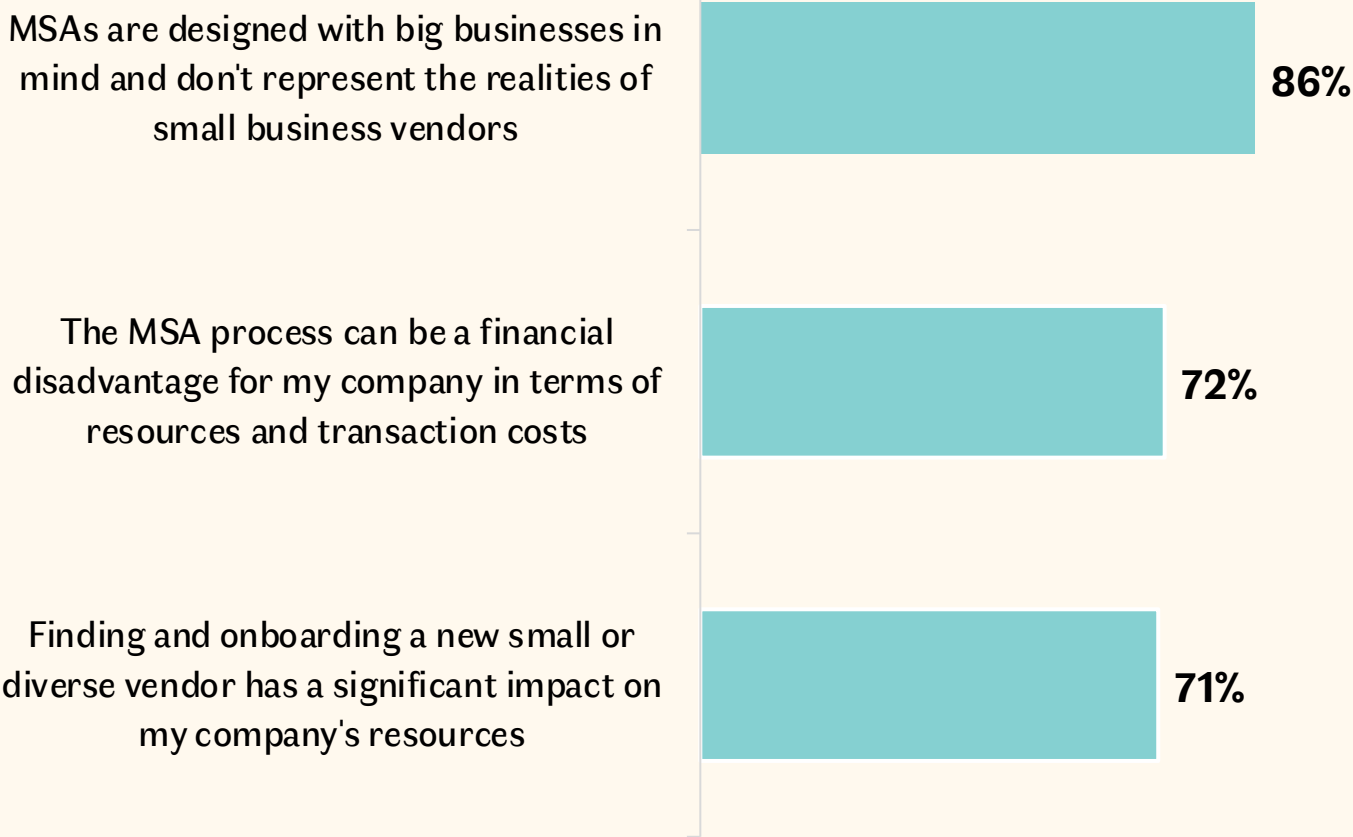
Research among large business leaders provides context regarding partner contracts with small business suppliers.

## Example Results to Date:

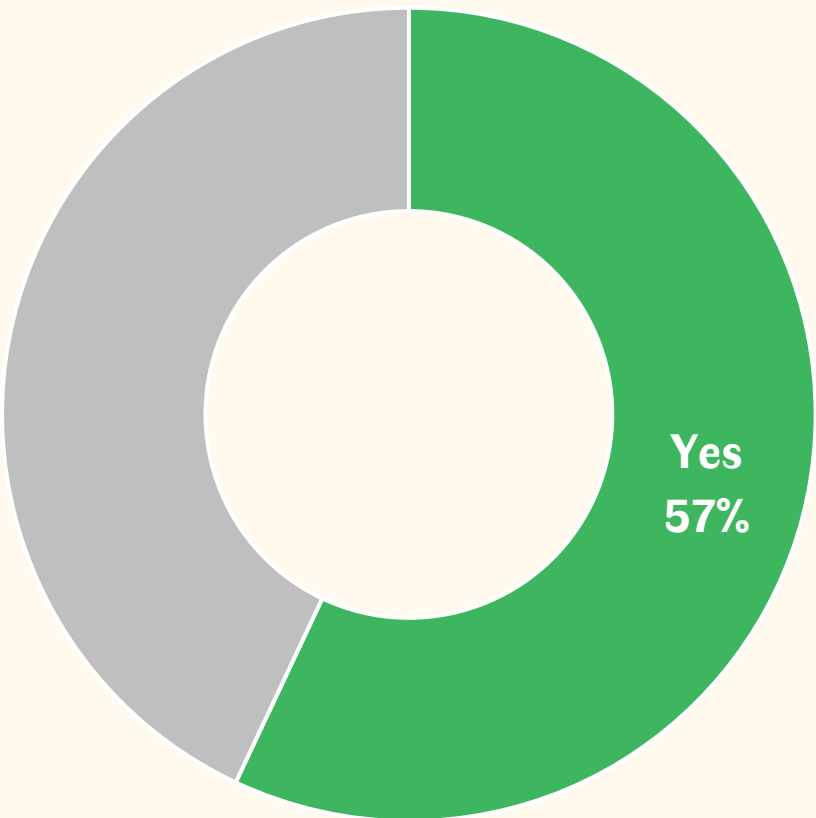
How often do you present your vendors with the same MSA terms and conditions, regardless of the vendor's size?



Business Leaders Agree:



Has your company ever lost the opportunity to work with a small or diverse vendor due to the inability to agree to MSA terms or conditions or the MSA process itself?



\*Qualified Large Business Leaders meet the following criteria: 500+ employees in any location; engage in MSAs with smaller business vendors (1-99 employees) who provide products and/or services. Respondents are manager-level or above with MSA negotiation and approval at least part of their function, and they are directly impacted by the small business vendor selection process. Data collected December 2021-to-date (n=14).

# Our Offering

Expert advice on a customized approach to maximize the equitability and impact of your partner contracts.



# Meet HHB's Equitable Business Council (EBC)

Our accomplished team of experts in corporate law, procurement, supplier diversity and equity, communications, and research have decades of experience working for some of the largest companies in the world.



**Cecil Plummer,**  
**Supplier Diversity**  
President and CEO,  
Western Regional  
Minority Supplier  
Development Council



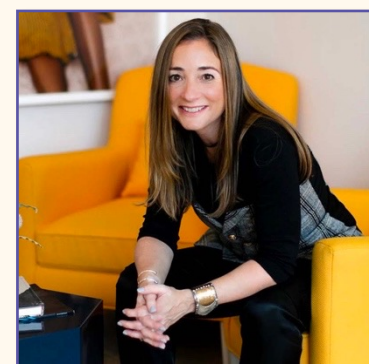
**Erin Erenberg,**  
**Corporate Attorney**  
Founder, Totum  
Women



**Alisa Fifield,**  
**Strategic Sourcing**  
Principle, Strategic  
Acquisition Solutions,  
Inc.



**Brett Colbert**  
**Procurement**  
Chief Procurement  
Officer, Chameleon  
Collective



**Caroline Dettman**  
**DE&I Consultant**  
Founder, Have Her  
Back



**Pamela Culpepper**  
**DE&I Consultant**  
Founder, Have Her  
Back



**Michelle Castle**  
**DE&I Insights**  
Sr. Strategic Insights  
Advisor, Have Her Back

Together, we advise companies on a customized approach to maximize the equitability and impact of their partner contract systems: a one-size-fits-small strategy that supports your business realities and risk thresholds.

We benchmark standard partner contracts and processes against what matters to small MBEs and WBEs and examine how these engagements with small business partners compare to other large businesses. This allows us to identify potential strengths to leverage and opportunities to evolve in attracting and retaining diverse business suppliers.



# Think Tank Session and Consulting

We recommend beginning the engagement with a Think Tank Session among company leaders directly involved in supplier diversity and the MSA process. We offer opportunity for further consulting upon request.



**To learn more, contact us at:**  
[research@haveherback.com](mailto:research@haveherback.com)