

Inclusive sourcing and women's entrepreneurship

Accelerating the recovery
for business, economy
and society



DaringCircles Women4Business

by the Women's Forum for the Economy & Society

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Introduction

Arguments showing that women's participation in the economy is vital to our future are all too familiar. It's five years since it was predicted that increasing women's labour market participation and closing the gender pay gap could raise global GDP by more than \$12 trillion annually by 2025, with women's contribution to the global economy growing by 26% compared to a business-as-usual scenario¹. The scale of the opportunity cost – and the societal benefits lost – of unresolved gaps in women's share of entrepreneurial activity, in pay, in leadership and influence is increasingly understood. Despite these powerful arguments, rates of change have remained slow.

The question now is, how has the Covid-19 pandemic – a global crisis of a scale unprecedented in at least a century – altered these arguments. On the one hand, the pandemic has catalysed change. It has accelerated an acceptance of remote working models, boosted the use of digital channels for supply and demand, increased trust in digital over physical interactions. All these changes can be seen as beneficial to women.

On the other hand, it's shockingly clear that **women are disproportionately facing negative impacts**. As Sheryl Sandberg, COO of Facebook, stated, "Covid-19 threatens to roll back the progress we have painstakingly made for women in the last five to ten years in the workplace. We are pulling the alarm bell²." Women surveyed by Sandberg's LeanIn organisation were "maxing out and burning out", as the onus of looking after and home-schooling children, and caring for elderly relatives, fell on women more than men. **One in four women surveyed were considering downshifting their career or leaving the workplace entirely**, while a different survey by Qualtrics found that men, by a margin of more than four to one, are being promoted while working at home, compared to female peers³. Women-led SMEs are even more vulnerable to Covid-19's shock to the economy. A survey of women's businesses worldwide by WEConnect International revealed that **90%**

experienced a significant reduction in revenue in early 2020 as a result of the crisis⁴. Sectors where women are over-represented have also been disproportionately impacted; the International Labour Organisation has estimated that globally, **40% percent of all employed women work in the four most affected sectors** compared to 36.6 percent of men⁵. We're now facing a risk of women's economic participation declining, with women's jobs almost twice as vulnerable than men's jobs to the pandemic. Women make up 39 percent of global employment but have suffered 54 percent of job losses⁶.

It's not surprising, given this context, that women might be disinclined to start their own venture. A recent survey by Female Founders Alliance found that while before the pandemic 87% of respondents were "highly likely to start a company", six months later more than half (51%) had "delayed or scrapped their plans⁷".

These gender and economic risks go hand in hand, as we know that women business owners disproportionately hire women employees, and are more likely to implement gender-inclusive company practices⁸. Businesses with diverse leadership are **21% more likely to outperform peers on profitability⁹**, and report innovation revenue at 19% higher than companies without diverse leadership¹⁰.

Our Daring Circle research, conducted with Knowledge Partner Kearney, reveals that many companies believe there is a business case for diverse supply chains. One third of the companies we surveyed in 2020 stated that **access to innovative goods and services is a primary driver** of their supplier diversity / gender-responsive procurement programme, while over 20% see supply chain diversity as a source of both cost-effectiveness and risk diversification¹¹.



Boosting women's entrepreneurship offers a clear route to accelerate inclusive growth and innovation for the economic recovery. Yet neither the disproportionate impacts nor this vast potential have yet been addressed through gender-responsive government policy or stimulus. A study by UN Women and UNDP analysed the fiscal and economic measures taken by 130 countries to help businesses through the crisis, and found that **only 10% were directing resources to women-dominated sectors**¹². In 2020 the Women's Forum called on G7 leaders to create an enabling environment for women in business and supply chains to flourish, with a set of policy recommendations for an inclusive recovery¹³.

We know that the private sector is ready and willing to act. Close to half (47%) of the companies we surveyed in 2020 have a supplier diversity and/or gender-responsive procurement programme, up from 35% in 2019. The number of **companies reporting executive level commitment to supplier diversity more than doubled in 2020**, up to 31% from 14% in 2019. Yet companies are still facing critical barriers in establishing or advancing their programmes. Half of the CPOs surveyed are looking for more information on best practices in programme implementation, while 40% are looking to work with existing initiatives and organisations that can provide support¹⁴.



Inclusive sourcing and supply chain diversification have been a long-standing priority for our company, and our US supplier diversity programme expanded to become global in 2015. Economic inclusion can only be achieved through commitment, collaboration and innovative efforts such as those initiated within the Daring Circle. We take pride in partnering with the Women's Forum as the platform to drive action within organisations that supports for system-wide change in the long term, together with WEConnect International and Kearney. At the same time, we can see clearly the disproportionate impacts of the pandemic on women entrepreneurs - who have a crucial role to play in tackling both the economic and the environmental climate crises. Supporting and accelerating the growth of women-led business is crucial not only to promote women's empowerment but is also a fundamental asset to foster green innovation and competitiveness. We are excited to be partnering with the Women's Forum and HEC Innovation & Entrepreneurship Center in a new programme *#WomenEntrepreneurs4Good*, to support the growth and development of women's enterprises to be the driving force behind both the recovery and the transition to a green economy.



**Jamila Belabidi, Global Women's Economic Empowerment and Supplier Diversity, Procter & Gamble
Women4Business Daring Circle Lead Partner**

The Women4Business Daring Circle now raises a clarion call for united action to help build back better. This report includes results of our original research which demonstrate why urgent action is needed, and introduces our Toolkit for Action and the Inclusive Sourcing Journey – a new diagnostic tool for assessing

and improving gender-responsiveness in procurement – along with the Women’s Forum calls to G7 leaders, and a new pilot programme #WomenEntrepreneurs4Good. Together, these help to show how organisations and governments can accelerate the recovery through inclusive sourcing and women’s entrepreneurship.



Definitions

Inclusive sourcing: procurement practices to enhance inclusivity in supply chains, through increasing equitable access to business opportunities for under-represented or innovative suppliers.

Supplier diversity: a supply chain that incorporates businesses owned and/or run by diverse individuals or groups, or the process of diversifying a supply chain by giving relevant diverse or minority suppliers a fair and equal opportunity to compete for contracts.

Gender-responsive: activities or outcomes which acknowledge gender roles and inequalities, and which encourage equal participation and proportionate distribution of benefits or seek to overcome historical gender biases.

Entrepreneur: an individual who creates, sets up and runs a business.

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With the pandemic already widening the gender and economic equality gap globally, there is no room for complacency. Increasing women’s representation in supply chains will give businesses improved ability to meet diverse customer needs, bring better innovation and competition, and enhance their overall brand. Yet, for real change to happen, it will mean securing the highest level of commitment and buy-in from leaders, and developing gender strategies that aim to tackle the root causes of inequality in the supply chain.

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**Imran Dassu, Partner, Kearney
Women4Business Daring Circle Knowledge Partner**

Part 1

Why women's entrepreneurship is central to the recovery

Even before the pandemic, progress in increasing women's participation in the global economy had failed to live up to expectations, with women's share in business ownership remaining at around 35% globally¹⁵. Men still account for a disproportionate share of entrepreneurial activity worldwide. While a few countries and regions have reached gender parity in entrepreneurship, **Europe has a lower proportion of early-stage women entrepreneurs than any other region of the world**¹⁶.

Why should we care? Multiple studies show the benefits of inclusion: the growing proportion of women in C-suite roles (rising from 17% to 21% in the last five years), has led to a range of positive benefits¹⁷. The Global Business Coalition for Women's Economic Empowerment reports **enhanced productivity, better employee retention, increased innovation, reduced costs, and improved government relations** as a result¹⁸.

In the wake of supply chain disruption from the pandemic there's clear potential to boost resilience through diversification and open up critical opportunities to women-led businesses. Not only are companies with supplier diversity programmes motivated by it being the "right thing to do" and their social responsibility as corporates – as shown in both our 2019 and 2020 Women4Business surveys, they are continuing to report innovation, cost-effectiveness and risk diversification as key drivers for inclusive procurement. The acknowledged need for resilient supply chains in a world rocked by the pandemic is adding a new motivation, and indicates willingness to build a strong business case¹⁹.

Yet there remain wide gaps in the evidence for adopting and advancing supplier diversity programmes, especially in Europe, where the pace of change is slower and the value is less established. Better evidence is needed to inform and advocate for meaningful action. The findings from our research in 2020, including the results from our annual Women4Business survey, from the Women's Forum Barometer, and learnings from interviews with women entrepreneurs, help close this gap.

Perspectives from procurement: The Women4Business annual survey

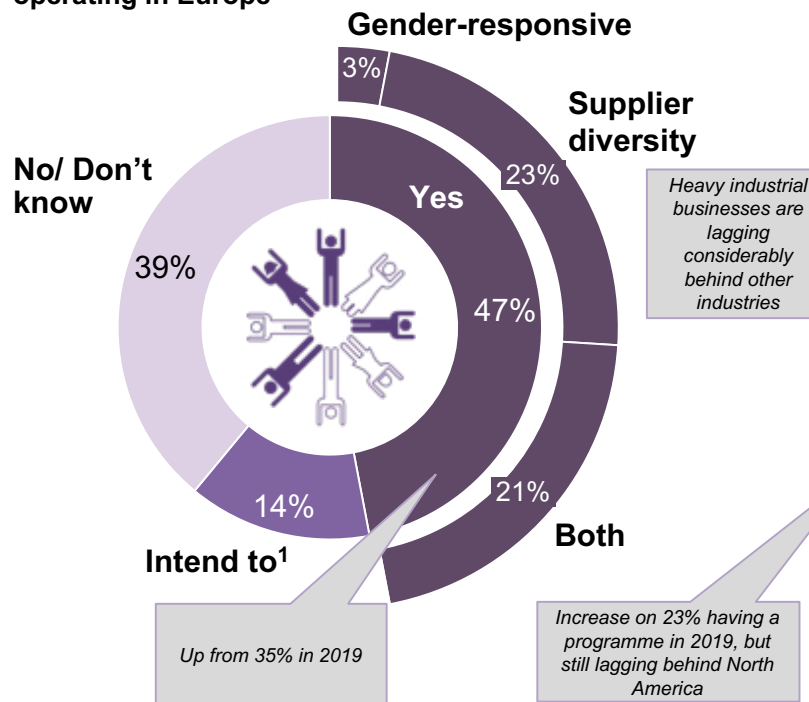
Our longitudinal Women4Business survey targeting Chief Procurement Officers and senior procurement or Diversity & Inclusion professionals ran for its second year in 2020, led by Knowledge Partner Kearney. The results indicate that while some attitudes and approaches are shifting, many remain unaltered despite the economic and social upheaval from the pandemic.

Some findings highlight that, just as a week is a long time in politics, a year is a long time in business.

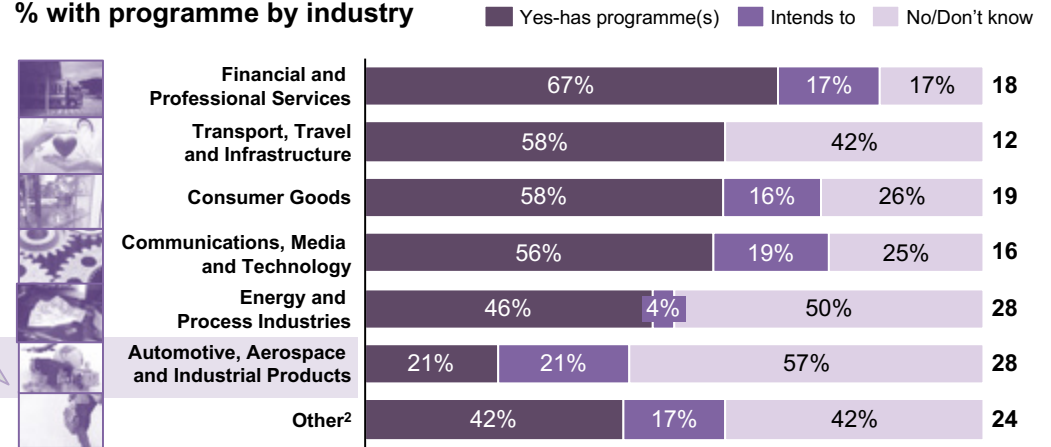
On the plus side, we see that **businesses are becoming increasingly conscious of gender-diversity in their supply chains**; almost half (47%) of survey respondents have a supplier diversity and/or gender-responsive procurement programme, and a further 14% intend to develop one within the next three years. This is an increase of 12% on 2019 figures. Further, the **large variations across sectors and geographies** in the adoption of programmes, propensity to adopt in future, and maturity of roll-out has begun to close: 61% of survey respondents headquartered in Europe lack a supplier diversity or gender-responsive procurement programme, compared to only 33% of their North American peers without a programme – a gap of 28%. However, this gap has closed significantly since 2019, down from 42%.

Supplier diversity and/or gender responsive procurement programmes are rapidly emerging in Europe, with 47% of respondents having one, up from 35% in 2019

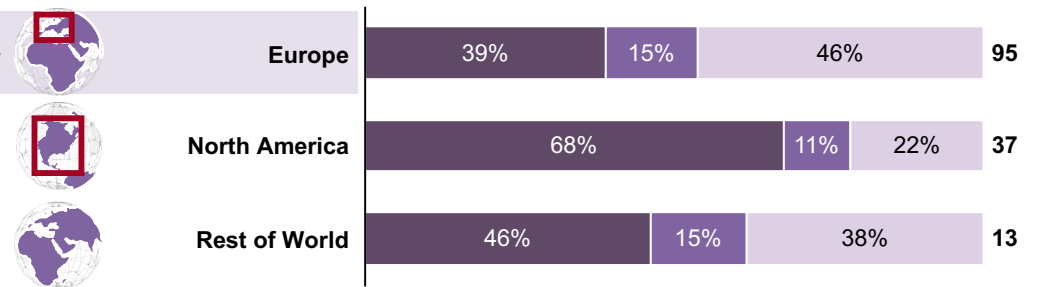
Percentage of respondents that have a supplier diversity and/or gender-responsive procurement programme operating in Europe



% with programme by industry



% with programme by location of headquarters



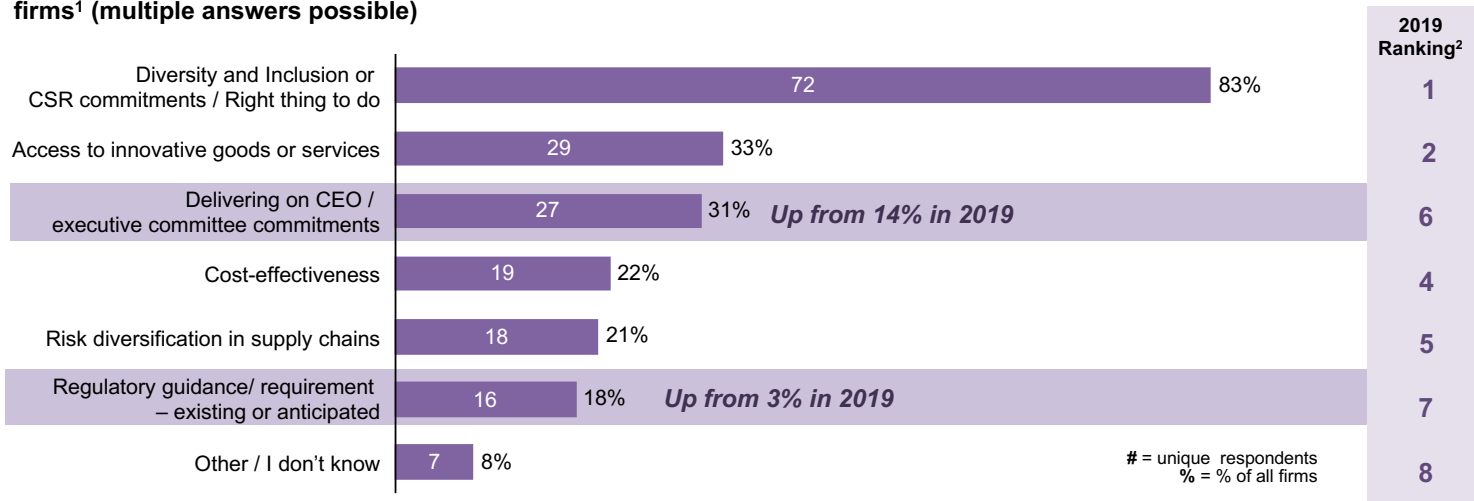
1. Respondents intend to develop a programme within 3 years
 2. Other primarily includes packaging, health and miscellaneous other businesses
 Source: Women's Forum Survey; Kearney Analysis

Supporting this apparent progress, we see strong evidence of a rapid shift of focus towards this issue, in both corporate leadership and public policy. Almost **a third of companies reported delivering on leadership commitments** as a key driver of their programme; over double the 14% that listed this in 2019. The number of respondents highlighting **existing or anticipated regulatory pressures also rose dramatically**, from 3% in 2019 to 18% in 2020.

Where supplier diversity programmes do exist, the motivation is, as in the previous year, largely driven by an organisation’s desire to do the right thing and deliver on their CSR commitments. We are also seeing consistency in terms of the business case awareness, with equivalent to **1 in 3 companies reporting access to innovative goods and services as a primary driver**, and **more than 1 in 5 citing cost-effectiveness and risk diversification as incentives for advancing supplier diversity**.

Meeting Corporate Social Responsibility targets and ‘doing the right thing’ continue to be the primary drivers for developing supplier diversity and/or gender responsive procurement programmes...

Primary drivers of a supplier diversity and/or gender-responsive procurement programme at respondents’ firms¹ (multiple answers possible)



...But, there is a striking increase in the number of firms reporting ‘delivering on executive commitments’, and ‘responding to regulatory pressures’ as primary drivers. This suggests a rapid shift of focus towards this issue by both corporates and governments

1. Question was completed by 87 firms; 2. Response options have been streamlined since 2019.
Source: Women’s Forum Survey; Kearney Analysis

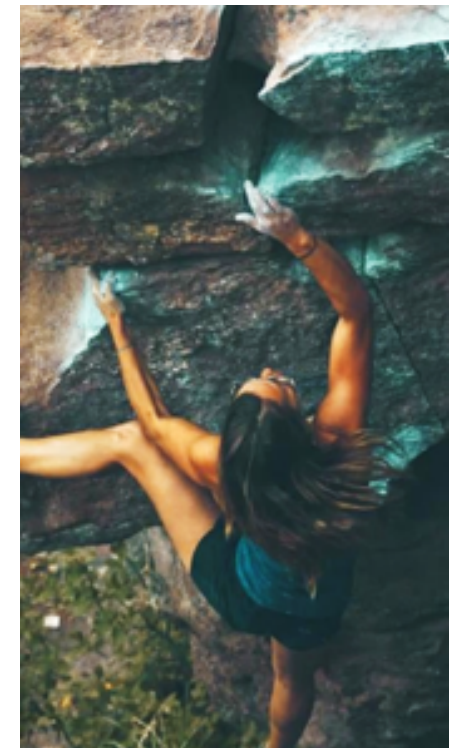
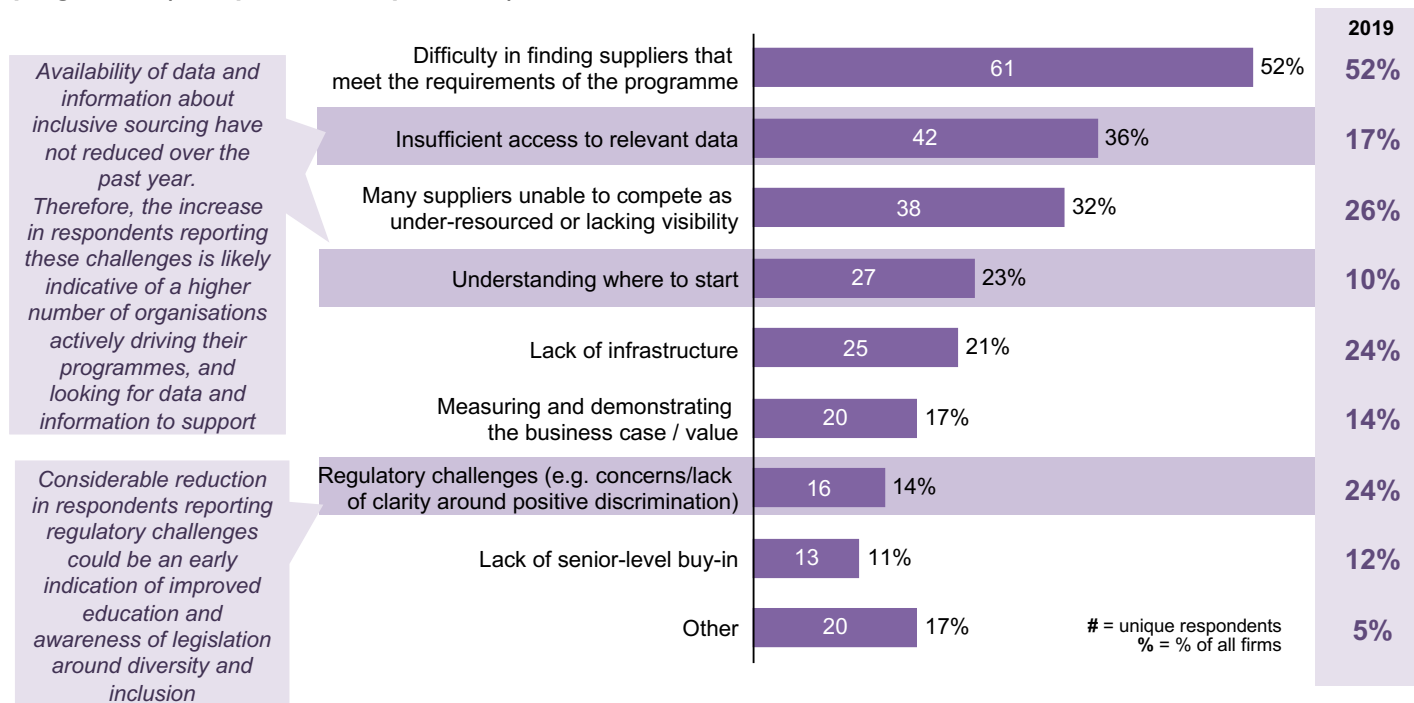
Despite a commitment to do the right thing, **organisations across sectors and geographies report challenges meeting their objectives**. Over half of the respondents reported **difficulties in finding suppliers that meet diversity requirements as a major barrier**, suggesting that gender-diverse businesses either cannot be identified due to lack of data, or are not yet sufficiently visible in many markets.

Lack of data is also increasingly hampering cross-sector progress, with 36% of organisations reporting data access as a key challenge this year, up from 17% last year.

This may indicate a greater propensity to measure and track progress. The majority of organisations want to deploy best practices, policies and targets across their organisation, but on average **only 21% formally track the proportion of diverse suppliers**. In **Europe this is at 15%**, increasing to **38% in North America** where supplier diversity is embedded in regulatory policy. The critical part that progressive regulation can play in accelerating change is demonstrated clearly by this regional gap.

Organisations still report difficulties in finding suitable suppliers, and lack of data is becoming an increasingly prominent challenge

Key challenges for effective implementation of supplier diversity and/or gender-responsive procurement programme (multiple answers possible¹)



Availability of data and information about inclusive sourcing have not reduced over the past year. Therefore, the increase in respondents reporting these challenges is likely indicative of a higher number of organisations actively driving their programmes, and looking for data and information to support

Considerable reduction in respondents reporting regulatory challenges could be an early indication of improved education and awareness of legislation around diversity and inclusion

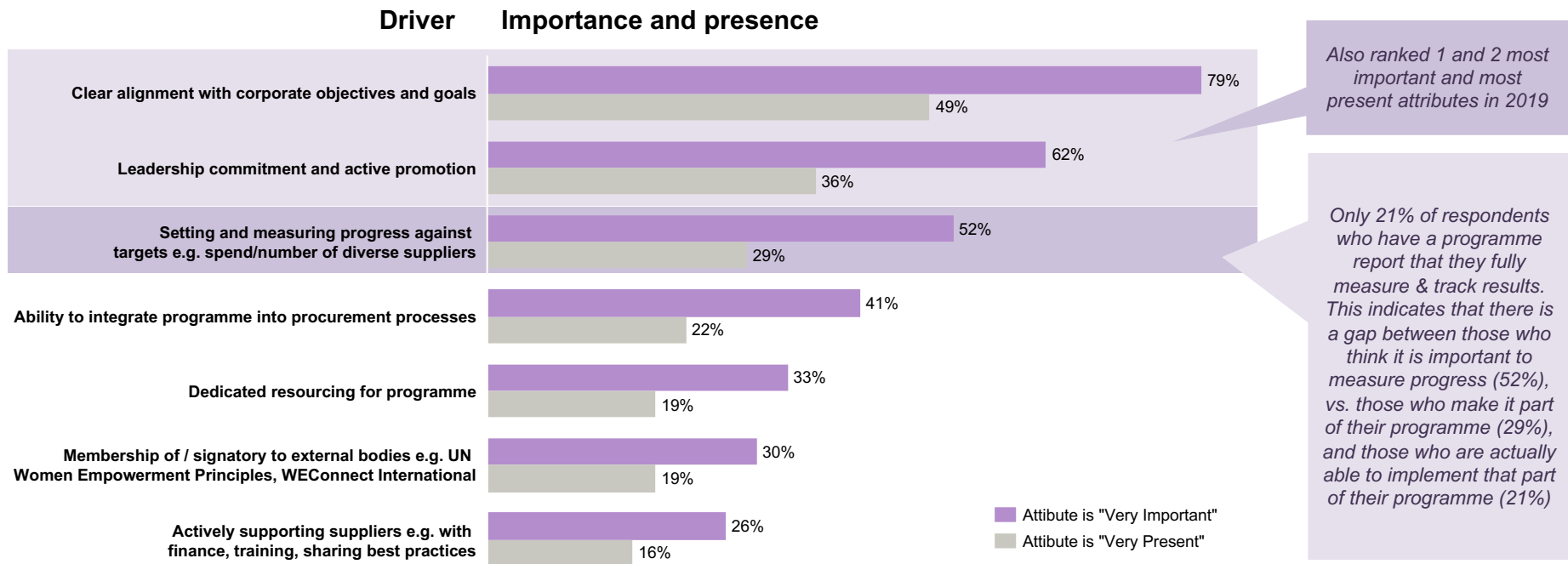
1. Question was completed by 118 firms
Source: Women's Forum Survey; Kearney Analysis

Leadership commitment and alignment with corporate objectives are still considered the most important attributes of these programmes. Despite these being priorities for the majority of companies - and already present in the programmes of over a third of them – we can see that **only 16% are actively supporting diverse companies in their supply chains.**

The benefits of membership with external organisations such as WEConnect International, who can support programme advancement and delivery of these commitments, are also being overlooked.

Despite challenges finding suppliers and accessing data, active membership to external bodies who may be able to help is still overlooked

Percentage of respondents¹ with a supplier diversity and/or gender-responsive procurement programme saying attribute is 'very important' for the development of a supplier diversity and/or gender-responsive procurement programme; percentage saying the driver is 'very present'



1. Questions were completed by 87 and 118 firms
 Source: Women's Forum Survey; Kearney Analysis

Commitment to diversity and equal opportunities in business and supply chains has not been undermined by the COVID-19 pandemic. Over 80% of respondents stated that their organisation's commitment to supplier diversity remains the same or has deepened in response. Following the Black Lives Matter movement in 2020, 60% of organisations reported that their focus on diversity, ethnicity and intersectionality remains the same, while a further 20% are either reflecting on their focus or taking action to evolve it.

With 50% of companies looking for best practices in programme implementation, and 40% interested in connecting with existing organisations and initiatives that provide support, **there's a clear mandate for collaborative action to advance diversity and inclusivity in supply chains.**

Women and business – what do the public think?

In 2020 the Women's Forum conducted a Barometer study into people's perspectives on women's leadership and positions in society, and their awareness of gender gaps and inequalities – surveying 3,500 members of the general public across G7 countries. You can find the full Barometer [here](#).

Overall, respondents agreed that women **face greater challenges than men in accessing business and career opportunities** across all G7 countries. Both men and women acknowledge these challenges, but women noticeably feel they face hurdles at every stage – unequal access to professional training, investment, senior leadership positions, and salaries.

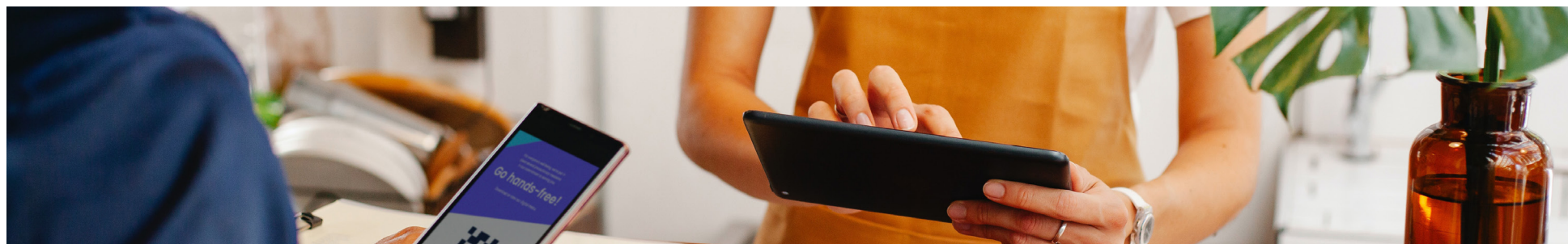
More positively, a resounding majority of both men and women believe that **if women had the same opportunities as men it would have positive consequences** for employment (76%), overall wages (76%), economic growth (76%), and society as a whole (81%).

More than three quarters of respondents are convinced that better access for women to senior management positions would have **positive outcomes on the ability to innovate**

and think differently (76%) while a majority believe it would boost business growth (68%). This may show that attitudes among the general population in G7 countries is outpacing entrenched business practices.

The vast majority of respondents are in favour of developing innovative policies to provide **equal access to public and private financing for women entrepreneurs** (78% of male and 88% of female respondents). Yet over half of the men surveyed had not considered access to finance as a barrier for women when initially asked.

A high proportion of both men and women in all G7 countries believe **clear targets should be established to ensure gender diversity in private companies' supply chains**, and that public authorities should use all the available tools to **promote gender equality in public procurement**. This is a clear call to action to transform corporate supply chains. Moreover, the public expects equal opportunity and diversity in procurement to be reflected in numbers and quantifiable targets – laying down a challenge for the Daring Circle and its partners to find ways to meet these expectations.



Women entrepreneurs, resilience and innovation

The data showing the sum impact on women entrepreneurs from the pandemic only gives part of the picture. In 2020 the Women's Forum undertook a series of interviews with affected entrepreneurs to bring qualitative insights to our understanding. Highlights from their stories demonstrate how women entrepreneurs have shown extraordinary courage, resilience, innovation and empathy when faced with deep shocks to their businesses, markets and supply chains.

The founder of Mann Deshi bank that supports women entrepreneurs in India, **Chetna Sinha**, quickly identified the need for women to shift their business models from the physical to the digital, and supplied “working capital to enable this digital shift”. A large number of Mann Deshi bank’s customers are in textiles, sewing from home. “So we thought, why don’t we produce face masks because they are required at every level and there were no masks available in the market”. To support her clients, Sinha mobilized the necessary capital to purchase materials and launched virtual training via short videos. Chetna Sinha’s story offers us two critical lessons: that small entrepreneurs need capital first and foremost and then they need support in changing their business models.

In Mexico, co-founder of Dalia Empower **Gina Diez Barroso** runs an architecture and real estate firm, Grupo Diarq, as well as CENTRO University with a strong emphasis on business and entrepreneurship. “We are doing everything in our power to avoid students dropping out as a result of financial difficulties.” says Gina Diez Barroso. She has shifted her business strategy in the light of the pandemic. A piece of land that was earmarked for high-end residential housing will instead be used “to build a school for nurses.” Barroso points out that now more than ever reinvention and creativity are needed: “to change the way we did business in the past, to reinvent our company and our products and to design a new supply chain to be more creative”. She urges women to “find your power, get to the top and bring another woman. That is the only way we will help each other”.

Headquartered in Singapore, ADDO AI, an AI solutions company and incubator, is headed by its founder, **Ayesha Khanna**. “It has never been more important to understand the basics of technology and women must not be afraid to take their businesses digital, whatever their industry”, says Ayesha Khanna. “This is one competitive advantage that is not going to go away. Women must invest in their education and upskilling, to understand how technology will affect their chosen careers and passions in life”.

Anita Dongre, creator of The House of Dongre fashion house in India, works with a large network of self-employed women. Aware of her responsibilities as a buyer in the supply chain when the pandemic hit, she ensured families were covered by medical insurance, set up a helpline and established a medical fund to support her suppliers. She believes strongly in the contribution women can make to a new kind of capitalism that balances the needs of people with financial returns – a business philosophy she calls “thoughtful growth”.

Founder of Corston-Smith Asset Management, **Datuk Shireen**, also highlights the particular contribution women can make to the post-pandemic rebound, in avoiding groupthink. She urges women to “reinvent yourself quickly, looking for ‘first mover’ advantage”. So that women don’t become the natural collateral damage of Covid-19 she wants women “to stand together, stronger and louder, to ensure that more thought goes into any decision that will impact women around the world”.



We have proven that women can handle one of the worst pandemics in the whole world successfully, so I think that after this is over, we deserve to have important positions and corporate leadership.



Gina Diez Barroso

Part 2

Tools for change: Inclusive sourcing and women's entrepreneurship

Every individual organisation that commits to inclusivity in its procurement practices can have a meaningful impact – generating benefits for the organisation itself, its suppliers, and the communities they serve. In addition to the widely acknowledged contribution to these societal benefits, there are powerful business advantages:

- A strong diverse supplier champion can influence its first-tier suppliers to diversify their own suppliers through second-tier and third-tiers
- Widening the supplier pool promotes competition, helps control costs and builds resilience
- Smaller companies (SMEs) are typically more agile than larger competitors and able to respond fast to shifting demands.

Change can be viral. The successful U.S. regulations supporting inclusive procurement can be attributed to the actions of General Motors in 1968. First to establish an overt and measured diverse supplier programme, the company's actions were soon followed by other auto manufacturers and within a decade by the United States as a whole²⁰. Today, the US Federal Government includes targets for spend with diverse suppliers in its large public procurement contracts, which continues to inspire voluntary commitment to supplier diversity in the private sector.

To close the gender gap, we need to change the system as a whole. This calls for greater dialogue and engagement between and within sectors; for collaboration and knowledge-sharing across geographies and global value chains. Champions of supplier diversity and inclusive sourcing can support others in their journey through communicating best practices. Support to help smaller companies navigate certification and accreditation requirements can be invaluable in broadening the supplier pool. For organisations that are less advanced, advocacy can be a tool to amplify their commitment and engage their networks, propelling these important challenges from the sidelines to the mainstream.

Target audiences for engagement

Women4Business seeks to reach, build support, and mobilise action among the actors who can make a critical difference enabling women's economic empowerment through supply chains.

- **Chief Procurement Officers and corporate executives** can embed women's economic empowerment in procurement strategies, integrate gender-responsiveness into company values, and promote the business case for supplier diversity.
- **Government policymakers and procurement leaders** can advance gender-responsiveness and supplier diversity in policy and procurement processes, and support the infrastructure to enable women's economic empowerment.
- **Women entrepreneurs and women business leaders**, including those already certified as Women's Business Enterprises, as well as emerging or aspiring women entrepreneurs and business leaders can seek to build capacity and scale their business and impact in the economy.

The Women4Business Toolkit for Action

Research indicates that a majority of companies support the principle of a supplier diversity programme, but are not yet fully feeding that ambition into action. This is particularly true in Europe where inclusive sourcing remains patchy.

The most frequently identified challenges include an inability to find diverse suppliers; lack of data; barriers preventing diverse suppliers from competing; lack of a demonstrable business case, and not knowing where to start. To plug this gap, the Daring Circle and its partners have developed a Toolkit for Action to support those companies keen to implement diverse supplier programmes.



Striving for authentic diversity means going beyond improving the recruitment of various genders and ethnicities into your organization. It means looking beyond your own four walls and the meaningful actions you can take. By using our tool, you can not only improve opportunities for diverse, women-owned, and women-led businesses in every organisation's supply chain, but also improve your own positioning with a positive financial impact, promoting competition, and building resilience. Once organisations complete the survey to determine the breadth and depth of the businesses they work with, we can help them reimagine how their firm can operate in a more diverse and inclusive way and benchmark them against regional and industry peers.



Imran Dassu, Partner, Kearney



We see the inclusive sourcing tool as a true force for good and a force for growth for our communities. We are calling on more companies to join us on our Inclusive Sourcing Journey.



Jamila Belabidi, Global Women's Economic Empowerment and Supplier Diversity, Procter & Gamble

Call to action: Join the Inclusive Sourcing Journey

There are many actions that procurement teams can take to advance diversity and inclusivity in their supply chains. There's no silver bullet; instead there are multiple routes and opportunities for impact, and the actions you can take to progress depend on where you are in your journey.

In response to the diversity of practices and varying levels of maturity in supplier diversity, the Daring Circle has created and launched the **Inclusive Sourcing Journey**, in partnership with Kearney. This is a digital diagnostic tool to objectively assess the maturity, reach and impact of the supplier diversity and inclusive sourcing practices of participating organisations.

Building on the maturity model created in 2019²¹, the Inclusive Sourcing Journey has been developed collaboratively by Kearney and the Women's Forum, in consultation with Daring Circle partners and corporate champions advanced in supplier diversity. It enables organisations to benchmark where they are and take concrete action to progress - whatever stage of the journey they are at.

The assessment tool generates a customised report with tailored recommendations for the best practices and specific actions organisations can take to advance their programmes and maximise equal opportunity and positive impact through procurement practices.

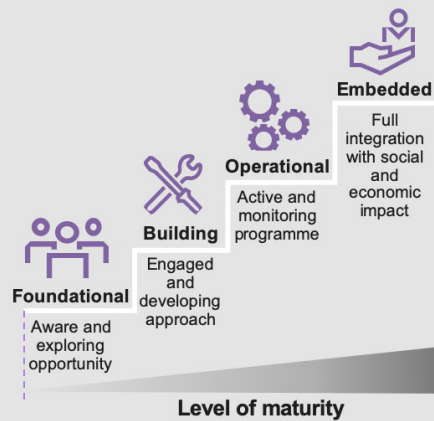
Your Inclusive Sourcing Journey responses have been used to assess the maturity, impact and reach of your gender-inclusive sourcing practices

- ▲ Your score
- ▲ Peer group average
- ▲ Average of leaders'

1 Maturity



Maturity of your supplier diversity programme to empower women-owned, and women-led businesses



2 Impact



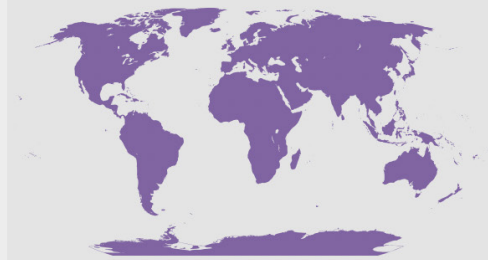
The magnitude of your programme's impact (e.g. in number of diverse suppliers in your supply chain, share of spend, KPIs used)



3 Reach



Geographic reach of your supplier diversity programme



Overall score

The combination of your performance across these three metrics



Source: Kearney

The Inclusive Sourcing Journey is free to use, compliments of Kearney, the Women's Forum, and the partners of the Daring Circle. Participants are encouraged to cascade the tool to their own supplier networks for increased impact. Customised and confidential benchmarking reports will be generated for participants as the global, regional and industry baselines emerge through increased use of the tool.

As participation in the Inclusive Sourcing Journey grows, it will help to construct a picture of best practices globally – revealing the emerging methods being used to solve key challenges such as supplier segmentation, business case metrics and key performance indicators.






We call on all large public and private sector organisations to join our Inclusive Sourcing Journey - to assess their current stage of maturity in supplier diversity and gender-inclusive sourcing using the tool, and to commit to taking strategic action to initiate or advance their programmes.



**The Partners of the Women4Business
Daring Circle**

**Join the Inclusive
Sourcing Journey
[HERE](#)**

Next steps on your Inclusive Sourcing Journey

Maturity	Key next steps
Strategy and business case 	<ul style="list-style-type: none"> • Work with Chief Procurement Officer to understand the quantitative and qualitative benefits of building a diverse supply chain • Conduct high-level research on supplier diversity within the industry and similar industries • Start to gather data on own supply chain; determine where your firm is reactively using diverse suppliers today and their performance
Supply chain processes 	<ul style="list-style-type: none"> • Implement a scanning process to actively identify suppliers with strong diversity to ensure they are invited to market events • Engage your legal team and agree distinctions between affirmative action (legal) and positive discrimination (illegal) to prevent this from being a barrier to your progress • Category managers are required to present plans and results to demonstrate they have included suppliers with strong diversity to participate • Supplier diversity should often influence market sourcing decisions
Enablers 	<p>To become best-in-class:</p> <ul style="list-style-type: none"> • Fully integrate Supplier Diversity training as a priority across all global parts of your organisation and to your key suppliers • Offer all players in the supply chain training courses on supplier diversity to instigate a collective effort to drive gender diversity across the industry

Source: Kearney

The legal guide for positive action

Some companies worry that practising inclusive sourcing may be illegal. It's important that programmes are designed to create equal opportunities for diverse suppliers and avoid positive discrimination through preferential sourcing. To provide clarity, Clifford Chance, a pre-eminent global law firm and Insight Partner of the Daring Circle, has led a study into the legal framework for positive discrimination, affirmative action, and data privacy in procurement.

The Women4Business legal guide has been designed to equip procurement teams with the necessary information to design affirmative action policies for supplier diversity and gender-responsive sourcing. The objective is to empower companies to take action in the knowledge that it is legally compliant and increases equality of opportunity.

Read the legal guide [here](#).

Accelerating women's entrepreneurship for good

There is overwhelming evidence that women-run and minority-owned smaller businesses are disproportionately affected by the pandemic, and are facing greater challenges scaling and sustaining their businesses. Urgent action is needed to mitigate the economic fallout that risks deepening existing inequalities in entrepreneurship and procurement.

In response, the Women's Forum is collaborating with HEC Innovation & Entrepreneurship Center and P&G in a pilot programme **#WomenEntrepreneurs4Good** to actively support women entrepreneurs in Europe, by **building the business capacity of enterprises providing sustainability-related goods or services**.

The Women's Forum and its partners aim to respond to the urgency of the current crisis by helping purposeful entrepreneurs to address broader impacts. Within the dedicated acceleration programme, the selected projects will benefit from various experts in order to scale their businesses while fulfilling the European Green Deal objectives. The programme will provide coaching, visibility, technical support, connectivity and access to an ecosystem of important stakeholders and global partners providing a variety of resources and business opportunities.

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Increasing diversity - and in particular women's presence in the supply chain - will undoubtedly be beneficial to businesses and to the economy. As Insight Partner to the Daring Circle, it rapidly came to our attention that most businesses are very aware of the fact that discriminatory measures are generally not allowed – including so called 'positive discrimination'. Companies often struggle to draw the line between a permitted and often encouraged affirmative action, and a prohibited discriminatory measure, due especially to the unclear legal framework around this issue. This knowledge gap is highly damaging, as the risk of falling on the wrong side is very daunting and will often discourage companies from taking any action in support of diversity and promotion of women's representation. Against this background, with our partners and the Women's Forum, we have worked to create a practical guide, aimed at providing businesses with concrete guidance as to what can or cannot be done to support supplier diversity actions.

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**Katrin Schallenberg, Partner, Clifford Chance
Women4Business Daring Circle Insight Partner**



In a world in transformation, innovation is at the center of everyone's thoughts. Entrepreneurship plays a major role in the economic development of tomorrow. It has also been in HEC Paris' DNA for many years. With the Women's Forum and its partners, the HEC Paris Innovation & Entrepreneurship Center will put its professors, students, alumni and its incubator at StationF at the disposal of women who are building the world of tomorrow.



Inge Kerkloh-Devif, Senior Executive Director, HEC Paris Innovation & Entrepreneurship Center

By the end of the #WomenEntrepreneurs4Good programme, the participating women entrepreneurs will:

- **Be more confident regarding their ability to impact the world**
- **Have identified a market challenge that fits with the EU green deal**
- **Have increased their customer knowledge & identified their unmet needs**
- **Have improved their operating model efficiency and grown their turnover**
- **Be ready to apply for EU green deal funds**

Find out more [here](#) and share with your networks.

Calling on policy leaders for an inclusive recovery

In 2020 the Women's Forum urged G7 Leaders to take urgent action to increase gender equality at all levels of economy and society. Business is one of seven key topics where women's voice, vision and leadership are critical drivers of change. To shape a more inclusive world in the wake of the COVID-19 pandemic, the Women's Forum consulted with its community to develop and propose a set of policy recommendations to inspire the G7 Leaders to accelerate gender equality in business and supply chains²².

The Women's Forum has called for the G7 Leaders to:

- 1. Engage publicly and proactively to promote women-owned and women-led businesses, including in the supply chain, through raising awareness, data disclosure and measurement of progress**
- 2. Lead by example, using public procurement as a lever to support women entrepreneurs**
- 3. Develop innovative policies to provide equal access to public and private financing for women entrepreneurs**
- 4. Create a tracking working group comprising women's business networks among the G7 economies**

The analysis and full list of policy recommendations proposed can be found in the report [7 Key Issues for an Inclusive Recovery: Women's Forum Calls to the G7 Leaders to Urgently Take Action](#)

Conclusion

Covid-19 has disproportionately affected women in business, whether they are employees, business-owners or aspiring entrepreneurs. The inequalities that have dogged our economies for decades have only been deepened by the crisis.

Companies have a responsibility to accelerate efforts to diversify their supply chains but face a number of operational challenges. The Women4Business Daring Circle's work to create a comprehensive Toolkit for Action can facilitate progress and scale best practice. Trade bodies and sector associations can help with advocacy and support to accelerate progress.

Finally, government regulators have a major opportunity, particularly as stimulus programmes are rolled out, to embed inclusive procurement in the legal framework for participating in these recovery programmes. Better transparency, data collection and reporting are urgently needed to move the needle. Yet we don't have time to wait for global

policies to drive progress. The responsibility for equality - and therefore the health of our global economy - is already being taken up by organisations and business leaders. With the economic impacts of the pandemic still not fully realised, businesses must act now to mitigate future risk and build supply chain resilience.

The benefits to the economy will be significant: greater participation of women in economic activity; greater levels of healthy entrepreneurship; greater agility; improved competition and innovation through widening the supplier pool.

As we develop recovery strategies, we have a one-off opportunity to apply all that we know to level the playing field, and by doing so open up our economies to greater growth. Inclusive procurement is a powerful lever for change. It has widescale support from the business community, but the challenge now is advancing along the journey – both individually and collectively - to action, implementation, and impact.

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About the Women4Business Daring Circle

The Daring Circles are an initiative of the Women's Forum for the Economy & Society, bringing together an ecosystem of partners to develop tangible proposals and solutions to today's most pressing issues. The Women4Business Daring Circle seeks to promote and accelerate women's economic empowerment in business and supply chains – by building awareness and educating about the value of supplier diversity, enabling action and impact by providing the tools and supporting the infrastructure for inclusive sourcing, and driving commitments to empower women entrepreneurs. Led by P&G, the Women4Business

Daring Circle's Strategic Members are BNP Paribas, L'Oréal, and Publicis Groupe, in collaboration with Exxon Mobil and Johnson & Johnson. The Circle is supported by Knowledge Partner Kearney, Insight Partner Clifford Chance, and Institutional Partners WEConnect International and UN Women. Expert Partners include BY.O Group and founder of Catalyst at Large Suzanne Biegel; along with academic partners HEC Paris, and founder of the Global Business Coalition for Women's Economic Empowerment Linda Scott.

Find out more [here](#) about how Women4Business is driving change

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The Women & Business Daring Circle seeks to establish women's economic empowerment — through supplier diversity, and gender-responsiveness in procurement — as a key strategic consideration of companies, governments, and other buyers of products and services. The Women4Business Daring Circle is led by P&G, in collaboration with BNP Paribas, Exxon Mobil, Johnson & Johnson, L'Oréal and Publicis Groupe. The Circle is supported by Knowledge Partner Kearney, Insight Partner Clifford Chance, and Institutional Partners WEConnect International and UN Women, and HEC as Academic Partner, along with a diverse network of experts and corporate champions.

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