



## Credit Union Supplier Diversity

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### Frequently Asked Questions

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#### 1. What is supplier diversity?

Supplier diversity is the practice of intentionally including a diverse supplier pool when procuring goods and services for a business or organization.

#### 2. Who are diverse suppliers?

Diverse suppliers are generally defined as small, women-owned, minority-owned, or veteran-owned businesses, or business owned by individuals from other groups that have been historically underrepresented (e.g., disabilities, LGBTQ).

#### 3. What constitutes “including a diverse supplier pool”?

“Including a diverse supplier pool” means ensuring diverse suppliers are invited to participate in contracting opportunities. This could include inviting them to respond to Requests for Information or Requests for Quotes or Proposals. Inviting diverse suppliers to participate in the RFI/RFQ/RFP process ensures they are aware of contracting opportunities, able to share their capabilities, and afforded a chance to compete for the credit union’s business.

#### 4. Why is supplier diversity important?

Opening procurement opportunities to suppliers from a variety of backgrounds, viewpoints, and experiences can yield better business outcomes for credit unions. Using a larger and broader pool of potential vendors creates greater competition, provides new and innovative business solutions, and economically empowers the diverse communities in which the credit union operates. In other words, it makes good business sense for credit unions to engage in supplier diversity.

#### 5. What is a credit union supplier diversity program?

A supplier diversity program is a proactive business program established to ensure diverse suppliers are included in procurement opportunities for products and services. The complexity of the supplier diversity program depends largely on the volume, character and complexity of the credit union’s procurement needs. Small credit unions may have a simple, basic supplier diversity program, while larger credit unions may have a more formal, structured program with employees dedicated to supplier diversity.

The key goal of a supplier diversity program is to ensure diverse suppliers are being included and provided opportunities to compete for your credit union’s procurement opportunities.



## 6. What does a supplier diversity program entail?

A successful supplier diversity program requires various elements. Each component builds upon the previous to create a strong foundation that yields consistent and repeatable supplier diversity results. Following are four of the most critical steps to launching and maintaining a supplier diversity program:

- a. Conduct a supplier diversity assessment including an examination of current procurement processes and procedures;
- b. Establish a baseline policy to support supplier diversity;
- c. Establish procedures for supplier diversity as part of the acquisition process; and
- d. Establish a process to track and report supplier diversity results.

## 7. Where can I find more information on credit union supplier diversity?

For more information on supplier diversity in credit unions and for guidance on establishing a program, see the NCUA's [Credit Union Guide to Supplier Diversity](#) and visit the Credit Union Diversity and Inclusion webpage at <https://www.ncua.gov/About/Pages/diversity-and-inclusion.aspx>.