



BUSINESS
IN THE
COMMUNITY



**DIVERSE AND
INCLUSIVE
SUPPLY CHAIN
INSIGHTS REPORT**

EXECUTIVE SUMMARY

YouGov[®]

Nearly 30 years ago, Business in the Community, alongside His Majesty The King, invited business leaders to join a race equality campaign to address the inequalities faced by Black, Asian, Mixed Race and other ethnically diverse employees in UK workplaces.

As the campaign approaches the next decade, we are encouraging businesses to commit to our Race at Work Charter [seven key actions](#) to prioritise race equality and foster inclusivity for Black, Asian, Mixed Race, and other ethnically diverse individuals. This includes calling on businesses to sign our [Race at Work Charter](#) which currently has 1100 signatories.

Our Race at Work Charter 2023 survey of employers¹ indicated that whilst organisations have clear aspirations and ambitions about diverse and inclusive supply chains, there is little evidence of action and expertise.

Furthermore, the Leadership, employees and procurement survey found that 65% of respondents would not mind at all if the government captured ethnicity and diversity data on business ownership for analytical insights and to inform policy making purposes.

This report presents valuable insights designed to help large employers understand the needs of small businesses within their supply chains. It emphasises improvement of data collection by government on the diversity and ownership of small businesses by ethnicity and other protected characteristics. This will enable employers to better grasp the scope and expertise of these sectors.

I would like to extend my heartfelt thanks to the BITC Race Equality Leadership Team for their invaluable support in helping us deliver the Diverse and Inclusive Supply Chain project. I am also deeply grateful to everyone who completed the survey and shared their insights with us.



Sandra Kerr CBE
Race Equality Director,
Business in the Community

¹ [Race at Work Charter Survey Report 2023 – Business in the Community \(bitc.org.uk\)](#)

BENEFITS OF DIVERSE AND INCLUSIVE SUPPLY CHAINS

Diverse and Inclusive supply chains can stimulate economic growth and job creation in underrepresented communities, as diverse suppliers often operate in these areas. They can also boost business performance through:

- **Increased innovation and creativity, as diverse perspectives and experiences bring fresh ideas to the table.**
- **Better understanding and connection with customers, tapping into a wider range of cultural and demographic insights.**
- **Improved reputation, brand image and commitment to responsible business practices.**

Furthermore, a report by Aston University found that improving practice in procurement could help tackle the multiple barriers faced by ethnically diverse owned businesses, particularly in accessing finance, markets and quality business support, could increase their Gross Valued Added (GVA) contribution from the current £25 billion a year to £100 billion.²

Despite these potential benefits, the Race at Work Charter Survey 2023³ found that 238 UK employers reported poor performance on supplier diversity and inclusive supply chain action, only 23% of respondents said yes to setting targets to increase the diversity of their suppliers and just 18% of employers said that they were signed up for the government⁴ Prompt Payment Code.

Our Race Leadership team commissioned this project to provide definitive evidence of the challenges and opportunities both large and small employers face in the UK that are a barrier to business growth and impactful collaboration with suppliers and partners

LEADERSHIP, EMPLOYEES AND PROCUREMENT SURVEY: KEY FINDINGS

Support to win business

Among commercial leads, 76% would like support from organisations to win business. The most popular type of support mentioned is 'improved access to opportunities to bid for work at 29%. However, 52% of large business employees working in procurement do not, or do not know whether their organisation does anything to make diverse suppliers aware of opportunities.

Spend with diverse suppliers

Among large business employees working in procurement, 30% say their organisation tracks spend with diverse suppliers, while 28% do not and 43% are unsure. This mirrors the pattern of whether targets have been set for spend with diverse organisations in the supply chain, with 24% reporting that their organisation has set targets and 27% said that their organisation has not.

Removing the barriers to growth

When small business owners, proprietors and partners were asked about the barriers to their organisation's growth, the most common challenges identified were access to skilled employees (15%), challenges with cash flow (15%), lack of confidence (14%), and lack of opportunities (12%).

² [Race At Work 2021: The Scorecard Report – Business in the Community \(bitc.org.uk\)](https://www.bitc.org.uk/race-at-work-2021-the-scorecard-report-business-in-the-community)

³ [CREME-NWG-Time-to-change-report.pdf](https://www.bitc.org.uk/creme-nwg-time-to-change-report.pdf)

⁴ [Race at Work Charter Survey Report 2023 – Business in the Community \(bitc.org.uk\)](https://www.bitc.org.uk/race-at-work-charter-survey-report-2023-business-in-the-community)

CALLS TO ACTION SUPPORT TO WIN BUSINESS

From this evidence we have identified three calls to action that large businesses can take:

- 1. Support diverse suppliers to win business:** Employers must increase open and regular communication to expand access to opportunities within their supply chains. Simplify contract documents wherever possible and increase access to opportunities and preferred supplier lists.
- 2. Track the diversity of supply chains and set targets for spending:** Through increasing the transparency of ethnically diverse-led organisations, employers can set targets and goals to increase spending with diverse founders.
- 3. Break down barriers to growth:** Support small businesses to access skilled employees, introduce prompt payment arrangements and empower business founders to build their confidence and to expand their networks, connecting them to supply chain opportunities.

NEXT PHASE OF PROJECT

The next phase of our project will involve collaboration with professors and academics who will analyse the 5,091 survey responses and thematically review the 2,889 open-text comments. This will include further examination on the access to finance as the survey found that in the last 18 months, 9% of businesses with Black, Asian, Mixed Race and other ethnically diverse founders had been rejected for financial support compared to 5% of businesses with White founders.

NOTES

Methodology

The survey was conducted online by YouGov with a total sample size of 5,091. The weighted sample is 4,621 working respondents (2,029 from small businesses (1-249 employees), 2592 from large businesses (250+ employees)). The sample is weighted to be representative of the working population by gender, part time/ full time work, business size & sector. Fieldwork was conducted between 26th March to 17th April 2024.

Open links to the survey were also distributed via BITC. These responses are not representative and so are not analysed in this report.



Business in the Community

137 Shepherdess Walk
London N1 7RQ

www.bitc.org.uk
020 7566 8650

Business in the Community is a registered charity
in England and Wales (297716)
and Scotland (SC046226). Company limited by
guarantee No. 1619253.