Major financial institutions in Canada have had a strong focus on diversity and inclusion for the last several years, both in terms of workforce and supplier diversity. “The banks are definitely forward within their industry sector and showing distinct leadership in the world of supplier diversity,” says Cassandra Dorrington, president of the Canadian Aboriginal and Minority Supplier Council (CAMSC), which counts the majority of Canadian banks in its membership base. “They are very aware of who their stakeholders are and do a good job of segmenting diverse groups—whether that be aboriginal businesses, women entrepreneurs, or others—and creating divisions to better serve them.

“It’s a very smart way of doing business—not only does it ensure that they reach out to these groups, but it also continues the cycle of business for financial institutions,” she adds. “If they engage diverse stakeholders, these stakeholders build economic wealth, and as a result, they may require additional services from financial institutions—and the whole cycle continues. This is a positive outcome of supplier diversity.”

Mary Anderson, president of WEConnect Canada, an organization that certifies women business enterprises, agrees. “All the banks understand that they need to reflect their clients and have an engagement strategy with diverse vendors, including women,” she says. What’s more, top leadership “truly believes in diversity and inclusion” and sees its business value. Anderson believes that this has translated into opportunities for diverse suppliers to work with financial institutions and their Tier 1 suppliers.

Leonard Jean-Pierre Anthony, president of Team Recruiter, a company that specializes in financial services staffing, is a good example of this. Close to 50 percent of his business is with financial institutions, and he attributes the rapid growth of his company to business attained through supplier diversity programs. “About 40 percent of our business comes from opportunities that were either formed or expanded because of supplier diversity initiatives,” he says. “We wouldn’t be the same company without certification. We’ve had a much more rapid development and much greater opportunity because of it.”

As one of the first five CAMSC-certified suppliers a decade ago, Anthony has seen banks such as TD Bank Group and BMO Financial Group set up diversity portals and support advocacy organizations, as well as participate in initiatives such as a mentoring program for diverse suppliers launched by Canada’s largest bank, Royal Bank of Canada (RBC). “This has all had a huge impact on developing supplier diversity in Canada,” Anthony says.

Alignment of supplier diversity to overall business objectives has been one of the key success factors for TD Bank Group, according to Marcia Seymour, the company’s senior manager for Procurement Corporate Responsibility. “For TD, diversity is not an initiative or project, it is fundamental to what we do,” she says. “Employees reflect our customers and communities, and we create an inclusive environment where everyone is accountable. It’s that alignment to our internal culture that is key to our success.”
Headquartered in Toronto with more than 85,000 employees worldwide, TD Bank Group made the strategic decision to make diversity a business priority in 2005, forming a Diversity Leadership Council to champion diversity and inclusion. The bank took a measured approach, consulting with large U.S. financial institutions and CAMSC to learn best practices before starting formal supplier diversity programs in Canada and the U.S. in 2011. In 2012, TD included diversity training in management and development programs, and today, its employees can choose to become a part of diversity networks.

Like most of Canada’s banks, TD is a corporate member and partner of CAMSC and WEConnect Canada. Seymour takes an active role in sharing the lessons of TD’s supplier diversity journey with other corporations, promoting the benefits to potential members and in coaching diverse suppliers on obtaining corporate contracts. The bank is also a Founding Gold Partner of the Canadian Gay & Lesbian Chamber of Commerce’s (CGLCC) supplier diversity program.

“TD has taken a leadership role within the financial services sector in the development of the program,” says Justin Lafontaine, project manager, Supplier Diversity, CGLCC. “Support from our founding partners has enabled us to roll out the program in a relatively short period of time, and certify the first roster of LGBT business enterprises in Canada.” The program will officially launch at the LGBT Supplier Diversity Forum on June 19, 2014 during WorldPride in Toronto, with TD Bank Group on board as its Platinum Sponsor.

In measuring the success of TD’s supplier diversity efforts, Seymour looks at the numbers to monitor progress but doesn’t focus on quotas. She points to top employer awards the bank has won as evidence that an emphasis on building an inclusive culture works. Among TD’s goals for 2014 are to implement a formal mentorship program for diverse suppliers and to develop a Tier 2 spend reporting program for the bank. “It’s important to keep focusing on continuous improvement,” she says.

BMO Financial Group—one of Canada’s five largest banks—has a long history of championing the advancement of minority- and women-owned businesses in Canada and the U.S. It stands out as a leader in target-setting and reporting, with Tier 1 and Tier 2 reporting an integral part of its supplier diversity program.

Since diversity and inclusion are core values of the bank, its program is a key strategic initiative. “By building long-term supplier relationships with diverse companies and professional service firms, we promote economic viability in our local communities, creating wealth, increased spending, and more vibrant markets in which BMO can do business,” says Pamela Schott, managing director, Productivity Strategies and Supplier Diversity.

With its supplier diversity office reporting directly to Procurement and engaged in every sourcing initiative, the
The bank has a laser focus on setting and monitoring targets to ensure accountability. BMO was among the first in Canada to utilize supplier diversity questions in its RFP process. In the next year, it plans to expand the number of diverse suppliers it does business with, validate diversity certifications, and further improve upon its strong results.

In addition to continued outreach to identify certified diverse businesses with the potential to become suppliers, priorities for the program include:

- Enhancing internal awareness of supplier diversity across the organization;
- Clearly defining supplier diversity goals within sourcing categories;
- Enriching and automating reporting to track progress;
- Expanding its Tier 2 reporting to more suppliers; and
- Implementing contractual targets in key supplier agreements to ensure that diverse suppliers are employed within Tier 2 supplier communities.

“In order to create significant value and achieve strong success with our program, BMO is actively pursuing certified diverse suppliers to be brought into our bid processes,” Schott says. “It is important to our business that suppliers continue to keep their certifications current and register on bmo.com or bmoharris.com (in the “Become a Supplier” section), so we can find them when we are looking for candidates to bid on our business.”

Canada’s other major banks are also active in fostering diversity, and each has its own, unique strategy. With a mentorship program for diverse suppliers designed to help it navigate the corporate contracting process, RBC was honored with the 2013 WEConnect Canada Corporate Member of the Year Award for its engagement with the diverse supplier community, particularly women.

The continuing efforts of Canadian banks to raise the bar on improving what they do and to share their journeys and lessons learned with other corporations will be a great stimulus to the development of supplier diversity in the country. As Anthony notes, “The financial sector in Canada is a leader in the promotion and support of supplier diversity.”

Susan Baka, president of Bay Communications & Marketing, Inc. (www.baycomm.ca), specializes in helping corporations, governments, and associations attain leadership positions in niche areas such as diversity and entrepreneurship by developing strategies and communication vehicles that resonate with their target audiences. Her firm was one of the first 10 certified through WEConnect Canada.

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