Chapter 4
A "Flying High, Landing Soft" Platform for Supplier Diversity

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ABSTRACT

Diversity management has emerged as a unique agenda of today's corporations in the global economy. One important area of corporate diversity management is supplier diversity, which is an inclusive growth program designed to help develop under-represented businesses into competitive suppliers of corporations. A major challenge of supplier diversity is that many minority suppliers lack the capability to deliver products which the corporate buyers need. Another major challenge is that few minority suppliers have the ability to participate in the global markets opportunities. We address these two problems by proposing an innovative "Flying High, Landing Soft" platform for international education in supplier diversity to help multinationals manage their global supplier diversity.

INTRODUCTION

Diversity management has emerged as a unique agenda of today's corporations in the global economy. One important area of corporate diversity management is supplier diversity (SD), which is an inclusive growth program designed to help develop under-represented businesses into competitive suppliers of corporations (Ram, et al., 2002). SD is operated within the constraints of government and regulatory policies (Ram & Smallbone, 2003). There are established standards constantly used to benchmark the corporate SD programs (Moore, 2010). As such, SD is a source of competitive advantage for corporations (Adobor & McMullen, 2007) and a typical corporation's SD program is strategically monitored by sophisticated procedures embedded in its supply chains and has intense out-reach activities with minority business enterprises (MBE) (Shah & Ram, 2006).

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BACKGROUND

The SD programs are very important in the USA as it is evidenced by the establishment of the first MBE Office by President Nixon in the 1970s. Through working closely with the National Minority Supplier Development Council, today the MBE Office has helped more than 16,000 MBEs connected with 3,500 corporate members. The SD program is also gaining its popularity globally. For example, Minority Supplier Development in China was established in 2009 as an effective way to address the rising inequality in China. MBE capability development is an important research area in SD (Krause, et.al., 1999; Hong & Snell, 2013), including achievement and constructive culture styles for the effectiveness of supplier diversity (Whitfield & Landeros, 2006); contextual differences in countries driving organizations to engage in supplier diversity (Worthington, et al., 2008); relationship and cultural economic details (Arnseth, 2012); and relationship between MBEs and corporations (Ndinguri, et al., 2013).

CHALLENGES

A major challenge of capability development is that many minority suppliers lack the capability to deliver products which corporate buyers need (Shah & Ram, 2006). Another major challenge is that few minority suppliers have the ability to participate in the global markets opportunities. We address these two problems by proposing an innovative "Flying High, Landing Soft" platform for international education in supplier diversity to help multinationals manage their global supplier diversity. First, we plan to develop a "Flying High" platform of five-level course modules to empower small, minority and women-owned businesses with resources in the emerging markets, such as China, so that they can become reliable and sustainable suppliers of large corporations. Second, we plan to develop a five-step "Landing Soft" platform to enable capable minority suppliers to participate in the international markets opportunities.

THE "FLYING HIGH, LANDING SOFT" PLATFORM

The "Flying High, Landing Soft" platform, having two components "Landing Soft" and "Flying High," is grounded in the theory of Input-Process-Output Model of Strategic Entrepreneurship (Hitt et al. 2011; Sirmon et al. 2011) and docility-based distributed cognition (Simon 1993; Secchi 2010). The framework has four major components: (1) docility-based learning communities with shareable networked resources as the inputs; (2) processes of resource orchestration with accessible social channels and effective coaching; (3) cultivating/advancing storytellers with effective storytelling of how they developed their businesses successfully as the outputs; and (4) fostering a virtuous cycle of continuous improvement of the platform by feeding back to the communities and enriching the networked resources.

The "Flying High" Platform

The "Flying High" platform, depicted in Table 1, consists of four basic elements: resource inputs, processes of resource orchestration, cultivating storytellers, and enriching the resource inputs with effective storytelling. The resource inputs is grounded in: (1) the innovative Mobile Classroom approach, originally developed by Louisiana Business & Technology Center at LSU with partners to effectively