



## Experimenting with Supply Chain Learning (SCL): Supplier Diversity and Ethnic Minority Businesses

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**Abstract.** This paper reports on an innovative UK-based ‘Supply Chain Learning’ (SCL) initiative to encourage the corporate sector to consider supplier diversity in respect of ethnic minority businesses. This follows academic and policy interest in programmes to empower ethnic minority enterprises to achieve breakout to mainstream markets and business growth. The first phase of the initiative, entitled *Supplier Development East Midlands* (SDEM) is examined. By adopting an inter-organisational action learning approach, some of the key attributes of the programme are delineated, focusing on the recurrent action-reflection cycle taking place in a learning group comprising SDEM, LPOs (Large Purchasing Organisations) and small EMSs (Ethnic Minority Suppliers).

**Keywords:** Supply Chain Learning, Supplier Diversity, Ethnic Minority Business Development

### Introduction

Whether under the banner of the ‘business case’ (IPPR, 2004), anti-discrimination (Migration Policy Group, 2002), or ‘corporate social responsibility’ (Ram and Smallbone, 2003), large organisations are being encouraged to engage ethnic minority owned businesses (EMBs) as suppliers. This has prompted a flurry of interest in the issue of ‘supplier diversity’, which, for the purposes of this paper, we examine in the context of a UK initiative that links together a number of leading corporations and ethnic minority businesses with the aim of exploring the potential for developing supply chain relationships. This initiative, entitled SDEM, has emerged from a number of complementary developments in the domains of policy and academe. EMBs in the UK have long been encouraged to diversify from inauspicious ‘low value’ niches (Ram and Jones, 1998). The prospect of contracts with the public and private sector could serve as a means of facilitating this process. The advent of the Race Relations Act provides an additional stimulus for diversity in public sector procurement. Further encouragement has come from the longstanding experience of the US. A recent review (Ram et al., 2002) of the potential implications of the US approach for the UK, suggested that there was scope

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