

CPSD™ ESSENTIALS IN SUPPLIER DIVERSITY
EXAM SPECIFICATION

Powerful
Engagement
Partnering
Diverse
Supplier
Market
Diverse
Empowerment
Mentoring
Outreach
Influence

**ESSENTIALS IN
SUPPLIER DIVERSITY
EXAM SPECIFICATION**

Diversity Owned Business

Table of Contents

Certified in Supplier Diversity®

Policies and Planning: SD-A-1 to SD-A-6	3
Sourcing/Supplier Development: SD-B-1 to SD-B-6	4
Finance/Budgeting: SD-C-1 to SD-C-4	4
Metrics/Oversight: SD-D-1 to SD-D-2	5
Training and Development: SD-E-1 to SD-E-2	5
Advocacy/Marketing/Outreach: SD-F-1 to SD-F-2	5

Definition of Supplier Diversity

Diversity signifies variety, including variety in the ownership of organizations. In supply management, diversity typically means an organization's efforts to include different categories of suppliers in its sourcing process and active supply base and to address opportunities and challenges that arise from differences and similarities

Source: ISM Glossary of Key Supply Management Terms



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Certified Professional in Supplier Diversity®

The Certified Professional in Supplier Diversity® (CPSD™) is a certification for supply management professionals whose responsibilities include supplier diversity and business professionals with responsibility for strategic diversity initiatives within their organization. The content of the CPSD™ Exam is based on the findings of a job analysis of supplier diversity positions. The 120 question exam tests on the results of this analysis including policies and planning, Sourcing/supplier development, finance/budgeting, metrics/oversight, training and development and advocacy/marketing/outreach.

Policies and Planning

SD-A-1

Develop, implement and integrate short-term and long-term supplier diversity programs and initiatives in congruence with organizational objectives.

- 1) Goal-setting
- 2) Methods to capture supplier diversity data
- 3) Benchmarking best practices
- 4) Market analysis
- 5) Technological skills
- 6) SWOT analysis
- 7) Elements of a strategic supply plan
- 8) Elements of an operating plan

SD-A-2

Integrate supplier diversity programs with other corporate diversity and business initiatives.

- 1) Organizational strategic goals (from board of directors or CEO, to the entire enterprise)
- 2) Cross-functional teams
- 3) Supplier diversity councils
- 4) Ethical issues
- 5) ISM *Principles of Social Responsibility* and audit
- 6) Financial impact
- 7) Risk/benefit to the business

SD-A-3

Consult with and advise senior management on developing and integrating strategies into business practices with diverse suppliers.

- 1) Negotiation skills
- 2) Methods of communication
- 3) Project management
- 4) Budget analysis
- 5) Strategic planning
- 6) Strategic alliances
- 7) Supply management organization mission, processes, capabilities
- 8) Corporate process and organizational dynamics
- 9) Influence
- 10) Internal negotiations and synergies

SD-A-4

Consult with and advise stakeholders on developing and integrating supplier diversity initiatives into business practices and identifying new opportunities for diverse suppliers.

- 1) Proposal process
- 2) Matchmaking events
- 3) New and emerging markets

SD-A-5

Integrate supplier diversity in organization mission, vision and commitment statements or the overall business strategy.

- 1) Vision/mission statement
- 2) Executive buy-in
- 3) Short- and long-range plans
- 4) Organization accountability
- 5) Gantt chart
- 6) Public relation skills/policies
- 7) Cost/benefit analysis

SD-A-6

Develop and manage relationships with internal teams.

- 1) Span of influence
- 2) Feedback techniques
- 3) Confidentiality
- 4) Meeting dynamics
- 5) Organizational functional requirements
- 6) Concepts of a supply management department
- 7) Internal organization conditions related to sourcing strategies
 - a) Operational strategies
 - b) Financial strategies
 - c) Marketing strategies
 - d) Supply strategies
 - e) Technology strategies
- 8) Market analysis
- 9) Communication plan

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Sourcing/Supplier Development

SD-B-1

Develop strategies and procedures for integrating diverse suppliers into the strategic sourcing process.

- 1) Supplier certification process
- 2) Supplier scorecard
- 3) Outreach and marketing plans
- 4) Business strategies
- 5) Economic and market forces
- 6) Concepts of a supply management department process

SD-B-2

Recommend and qualify diverse suppliers to the sourcing team.

- 1) Supplier certifications
- 2) Referral process
- 3) Best practices
- 4) Contract modifications

SD-B-3

Develop and maintain successful relationships with diverse suppliers, which could include resources, coaching and mentoring.

- 1) Mentor-Protégé program
- 2) Sponsorship
- 3) Supplier recognition and awards
- 4) Strategic sourcing team
 - a) Intellectual capital
 - b) Capacity building/access

SD-B-4

Establish internal qualifications and create systems for screening diverse businesses.

- 1) Data evaluation and analysis
- 2) Third-party certification organizations
- 3) Central Contractor Registration (CCR)
- 4) Small Business Administration
- 5) Diverse chambers of commerce
- 6) State/local diverse business enterprise programs
- 7) Global initiatives

SD-B-5

Monitor new and existing business, contracts and bidding schedules in an effort to identify opportunities for diverse suppliers.

- 1) Proposal process
- 2) Contract expirations
- 3) Internal sourcing teams
- 4) Bidding schedules
- 5) Spend analysis

SD-B-6

Identify and attend industry-related conferences and other functions to source qualified diverse suppliers.

- 1) Internal/external opportunity fairs
- 2) Strategic outreach efforts
- 3) Small business conferences
- 4) Professional sourcing services

Finance/Budgeting

SD-C-1

Define and justify return on investment (ROI) for supplier diversity programs to appropriate stakeholders.

- 1) Basic financial reporting
- 2) Forecasting
 - a) Spend analysis
 - b) Cost savings analysis
- 3) Establish and effectively communicate business case
- 4) Benchmarking
- 5) Customer compliance reporting

SD-C-2

Establish annual diverse spend goals and targets.

- 1) Goal-setting
 - a) By category
 - b) By business unit
- 2) Projections
- 3) Monitoring performance
- 4) Statement of work (SOW)
- 5) Industry analysis

SD-C-3

Develop budget and financial support for organization diversity initiatives.

- 1) Purpose of a budget
- 2) Steps in budgeting
- 3) Types of budgets
- 4) Budget management

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Metrics/Oversight

SD-D-1

Design, install and maintain metrics to measure and report the performance of diverse suppliers throughout the sourcing process.

- 1) Regulatory requirements for records management
- 2) Domestic and international regulatory requirements
 - a) Local issues/requirements
 - b) Government definition of “diverse”
- 3) Organizational financial reporting policies
- 4) Metric software/tools
- 5) Reporting requirements

SD-D-2

Monitor progress toward meeting goals and objectives and measuring success, and recommend directional changes or actions.

- 1) Legal aspects of various supplier diversity processes
 - a) Uniform Commercial Code (UCC)
 - b) Antitrust and Trade Regulation
 - c) Regulation of Federal Procurement and Public Projects
 - i) Federal Acquisition Regulations (FAR)
 - ii) Small Business Act
 - d) Regulation of international commerce
 - e) Sarbanes-Oxley (SOX)
- 2) Agency regulations/rulings (industry-specific)
- 3) Other related country/federal/state/local laws
- 4) Corrective action process
- 5) Growth assessment
- 6) Surveys

Training and Development

SD-E-1

Provide training on diverse supplier sourcing principles, including organizational and government requirements.

- 1) Supplier diversity business case
- 2) Gap analysis
- 3) Federal Acquisition Regulations (FAR) requirements
- 4) State and local procurement requirements
- 5) Compliance metrics
- 6) Best practices and trends
- 7) How to integrate supplier diversity into sourcing process
- 8) Design and implement training programs
 - a) Orientation
 - b) On the job
 - c) Classroom/web training/self paced

SD-E-2

Provide training on procurement processes and business development to diverse suppliers.

- 1) Organizational procurement policies and procedures (e.g. RFX, contracting, etc.)
- 2) Business development training

Advocacy/Marketing/Outreach

SD-F-1

Develop communication plan, marketing tools and rewards/recognition systems to promote supplier diversity.

- 1) Online vehicle (intranet, external website, social networking, etc.)
- 2) Printed materials (e.g., annual reports)
- 3) Promotional items
- 4) Awards
- 5) Recipients of communications
 - a) Senior management
 - b) Internal customers
 - c) Suppliers
 - d) Community organizations
 - e) Other stakeholders

SD-F-2

Plan, organize, conduct and participate in organization-sponsored diversity presentations and events.

- 1) Presentation skills
- 2) Event planning
- 3) Professional representation/spokesperson skills
- 4) Professional and trade associations