

**SOURCING  
2EQUAL**



# Advancing WSMEs Access to Markets in Corporate Supply Chains in Kenya & Colombia

IN PARTNERSHIP WITH



# Gender-Inclusive Sourcing: The Business Case for Corporate Buyers

- Although one-third of registered SMEs globally are estimated to have been created by women, large corporations and governments **spend less than 1%** of their procurement budget on women-owned/led businesses (WEConnect International)



## Better delivery and Performance

34 percent of peers reported that procurement from women-owned enterprises yields better delivery performance and reliability of suppliers, while 33 percent of leaders responded similarly



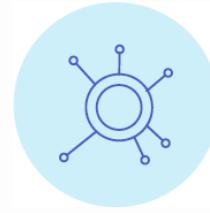
## Greater Flexibility

27 percent of peers cited greater flexibility to respond to market changes as a benefit of gender-inclusive sourcing, while that proportion rose to 33 percent for leaders.



## Alignment with corporate sustainability and gender equality objectives

37 percent of 'leaders' cited this as the top benefit of gender-inclusive sourcing compared to 29 percent of peers.



## Increased Innovation

27 percent of peers and 31 percent of leaders identified increased innovation as a benefit of gender-inclusive sourcing



## Stronger Brand Affinity and Customer Loyalty

29 percent of peers and 35 percent of leaders recognize brand loyalty from customers as a benefit of gender-inclusive sourcing.

## Barriers and Approaches to Increase Access to Markets for Women-Owned Businesses (WOBs)



Sourcing2Equal Kenya

Barriers and Approaches to Increase Access to Markets for Women-Owned Businesses

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## 2021 Research showed that:

- Only 3% of the procurement spend of corporate buyers goes to women-owned business (WOB)
- Both buyers and suppliers face challenges to increase gender-inclusive procurement



### Buyers' Challenges

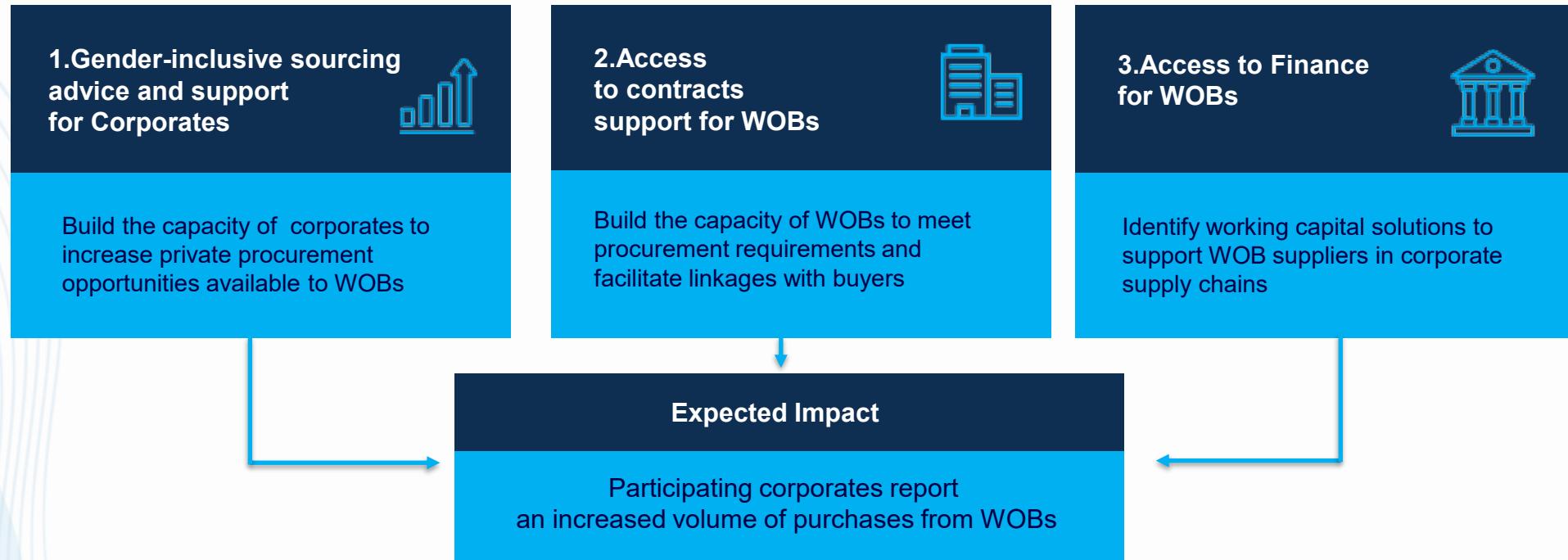
- Knowledge about business benefits and best practices
- Existing procurement policies and procedures
- Finding eligible WOBs in the market
- Understanding financial and non-financial WOBs needs



### WOBs' Challenges

- Access to information and networks
- Operational capacity
- Access to capital

# Creating Markets: Connecting Women-owned/led Businesses (WOBs) to New Markets Through Corporate Procurement Opportunities



## Donors



## 10 Participating companies: 14 Ecosystem Partners



# Buyer Interventions: Expanding knowledge, capacity & expertise for gender-inclusive procurement

**11**

peer learning and networking events

**32**

international best practices implemented by participating buyers

**4**

buyers supported with advisory services: supply chain assessments, strategy and action plan development, customized training materials and delivery to WOBs

<sup>1,2,3</sup>

Based on 9 Buyers that responded the survey

**89%**

of buyers<sup>1</sup> reported increased internal company awareness and knowledge on gender-inclusive procurement with project contribution

**78%**

of buyers<sup>2</sup> reported increased procurement spend and/or contracts with WOB suppliers with project contribution



**\$1.9 billion** in total procurement spend by engaged corporates<sup>3</sup>, representing a significant market for women suppliers



Gender Inclusive Supply Chains Forum with UN Global Compact (September 2022)

## Program Outcomes: Access to contracts, job creation and revenue growth

- 345** new contracts accessed with private sector buyers, of which:
- **151** with S2E corporate buyers
  - **194** with other private sector buyers
- 133** new contracts accessed with public sector buyers and enabled through S2E's interventions
- 88%** of the WOBs accessing new contracts with contribution from S2E, increased their revenues (in average by 28%)
- 73%** increased the number of employees as a result of the new contracts (in average by 5 employees per company that has won contracts)

**1,646**

Women entrepreneurs reached with procurement readiness trainings, mentoring & buyer connections



# Access to Finance

34% of the WOBs accessing new contracts with private sector companies in the last two years, accessed finance to enhance contract access and delivery

## Financial products accessed



Loans 91%

Credit line 21%

Supply Chain Finance 9%

Debt financing 8%

Growth equity 2%

## Sources of finance



Banks 77%

Microfinance institutions 38%

Borrowing from friends and family 36%

Savings 9%

Financing from client or anchor firm 8%

Investors 6%

Factoring companies 4%

FinTech 2%

# Lessons Learned: What works for Buyers & WOBs



## Buyers



Peer learning and networking has been instrumental to implement best practices



Developing a sophisticated procurement system to track progress and results is crucial



Top management support and internal alignment are essential for implementing successful programs



Identifying WOBs remains a significant challenge



## WOBs



Capacity building and networking increase confidence and change perceptions of WOBs to access corporate contracts



There is a need to continue increasing connections with buyers and financial institutions



Access to finance remains the top challenge. SCF products are not well known and/or tailored to the needs of WOBs



WOBs need more in-depth and in-person sessions and support

# SOURCING 2EQUAL

Colombia



**Implementation:**  
April 2023 – June 2026

# Buyer peer learning and technical support: Expanding knowledge, capacity & expertise for gender-inclusive procurement



**3% of GDP** in total procurement spend by engaged corporates<sup>3</sup>, representing a significant market for women suppliers



**12**

peer learning and networking events

**42**

international best practices implemented by participating buyers

**100%**

knowledge on gender-inclusive procurement with project contribution

## 14 CORPORATES : 6 ECOSYSTEM PARTNERS



# WSME PROCUREMENT- READINESS PROGRAM

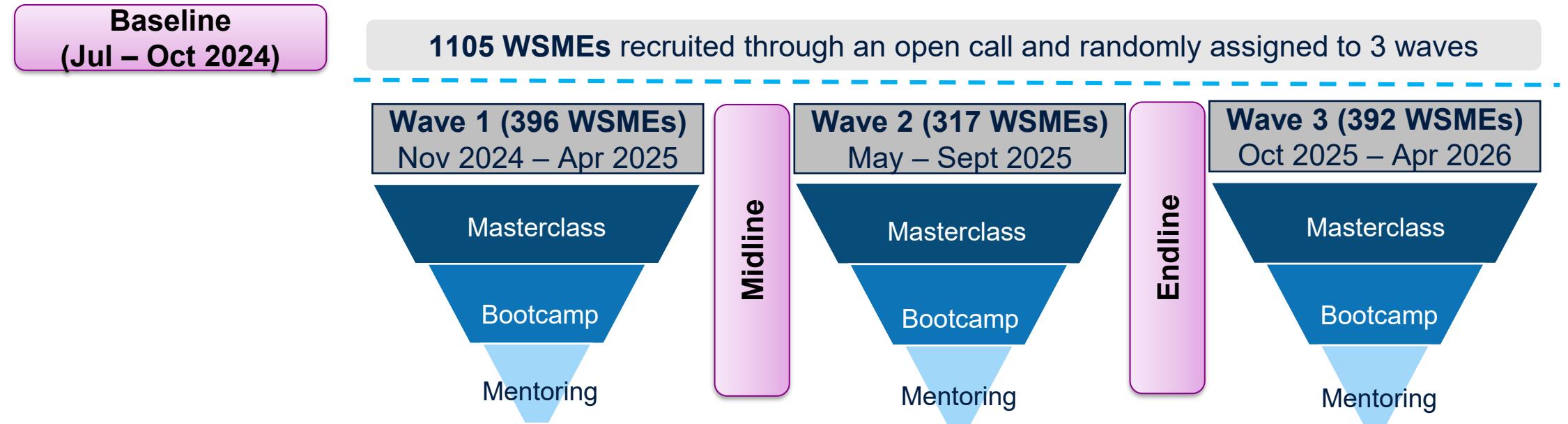
## Bogota, Cali & Medellin

- Program created based on WSME needs assessment, stakeholders design thinking workshops and lessons learned from Sourcing2Equal Kenya.



- **WSMEs will be invited to buyer-supplier matchmakings, networking events and additional learning sessions delivered by partners, and all activities are delivered in collaboration with local partners and corporate buyers.**

# IMPACT OF WMSME CAPACITY-BUILDING (PHASED-IN RCT)



**Research Question:** what are the causal impacts of S2E's WSME procurement-readiness program on WMSMEs':

- i. **knowledge and beliefs**, e.g., knowledge of processes and requirements
- ii. **procurement-related practices**, e.g., registration in supplier databases, submission of bids
- iii. **procurement and business outcomes**, e.g., # of contracts won, revenues from contracts, business profits

- The midline results **showed significant positive impacts on WSMEs procurement knowledge, procurement-readiness (e.g., preparing offers/proposals), company registration on corporate portals, and bid submissions to corporates.**
- Preliminary endline survey results, suggest impacts consistent with those observed at midline.

# WOB capacity building & connections:

## Enhancing procurement readiness and access to information on opportunities

**1,317**

women entrepreneurs  
trained, representing

**645**

unique WSMEs  
supported through  
training, matchmaking  
and mentoring

**99%**

of participants have  
increased knowledge  
on corporate  
procurement



# Lessons Learned

## WSMEs

- **WSMEs definitions:** WSME definitions should consider sector differences, the role women play in it, and refinement of definitions should be permitted as new programs and solutions are piloted.
- **Capacity building:** Consider customizing content through co-creation process in every context and consider more in-depth 'solutions brainstorm' sessions.
- **Product development:** Product development requires iterative inputs from corporates and WSMEs to shape products to what will meet demand.

## Data and evidence gap

- **Supplier sex-disaggregated data** is key to understand gender gaps and inform inclusive procurement operations. Yet, data availability is very limited and few corporates collect and track these data.
- **The business case for gender-inclusive sourcing** is hard to measure and data on evidence is limited.
- **Lack of a unified WSME database** at country level makes it difficult for corporates to identify WSME suppliers.

## Buyers

- **Buyer engagement:** Understand Buyers' different procurement needs and processes to design matchmaking that offers greater value to participants e.g., buyer/industry-focused sessions on procurement processes etc.
- **Approach:** Identify a cost-effective solution that allows easy engagement with WSMEs and ecosystem, actors.
- **Capacity building:** Foster co-creation of capacity building interventions with buyers and coach WSMEs to respond to buyer specific criteria and standards.

# ANNEX