

LEARNING BRIEF: KEY STEPS TO INCREASE GENDER-INCLUSIVE SOURCING AMONG CORPORATIONS IN BANGLADESH


This Learning Brief is a resource for senior procurement representatives and outlines actionable recommendations to increase gender-inclusive sourcing¹ in Bangladesh. These recommendations were formulated based on **research, roundtable discussions, and interactions** with Women-Owned Small and Medium Enterprises (WSMEs), procurement leaders, and other senior corporate managers in Bangladesh.


GENDER-INCLUSIVE SOURCING IN BANGLADESH: KEY FINDINGS


In 2017, the World Bank Group (WBG) in partnership with the Ministry of Commerce of Bangladesh and implemented by WEConnect International, administered a survey to understand the gender-inclusive sourcing landscape in Bangladesh. Respondents included **37 corporate representatives** and **60 women entrepreneurs**. Findings were further qualified through interviews and focus group discussions that were held with 17 women entrepreneurs, 16 corporate representatives, and 12 government, non-governmental, and financial sector stakeholders. Findings were subsequently validated during a half-day event with nearly 40 key stakeholders. Findings reveal that:




Naznin Nahar,
Managing
Director of
TechSolutions,
pitches her IT
services
business to a
panel of
investors at the
2020
Conference &
Business Fair in
Dhaka.

 **55%** of corporate survey respondents believe that WSMEs' smaller size and limited access to finance will affect their ability to provide the **highest-priority and best-quality goods and services** procured locally by corporations.

 Nearly **20%** of corporate respondents **do not know whether their corporation procures from WSMEs**. During interviews, they indicated that they **do not know how to identify WSMEs** - that many WSMEs are not listed with business associations, or their information is out of date, making it difficult for buyers to access information.

 **Access to capital is ranked as a top challenge** (in Bangladesh **36%** of women have a bank account compared to **65%** of men²). Interviews revealed that the **process of applying for a business loan is perceived as complicated**, with few lending institutions willing to offer the amount of financing at the terms and conditions sought by WSMEs. **Financing options are either too small** falling into the microfinance range **or too large** with prohibitive collateral, interest rates, or repayment terms.

 There is a **perception among WSMEs that entrepreneurship is not a respected career path for women in Bangladesh**. During interviews, WSMEs noted that **societal and familial pressures were the greatest barriers to starting and growing their businesses**. Interviewees who had family members who were business owners or otherwise supportive of entrepreneurship felt this helped them significantly, but that broader societal disapproval of women entrepreneurs still posed significant challenges to their success.

KEY FINDINGS (CONTINUED)



48% of women business owners report **difficulty in making connections to corporate buyers.**



52% of the WSME survey respondents **employ 11-100 workers** and **27%** have average **revenue growth between 5-10%** per year.



29% of corporate representatives state that their company **policy encourages sourcing from WSMEs.**



Jute goods, information and communication technology services, and corporate gift items are sectors with both buyer need and supply capacity from WSMEs in Bangladesh.



Corporate representatives **welcome access to a database containing information on WSME offerings** and corporate procurement needs to make it easier for both parties to do business together.

CREATING A CORPORATE SUPPLIER DIVERSITY MOVEMENT

Following an awareness-raising campaign to demonstrate to large buyers in Bangladesh that WSMEs can produce in-demand goods and services, **16 companies** have signed pledge letters in recognition of their public commitment to increase sourcing from WSMEs that meet their supplier requirements.

Corporate signatories include Apex Footwear, Berger Paints BD, BRAC Bank, DBL Group, Gemcon Group, IPDC Finance, Knit Asia Limited, Praava Health, PRAN-RFL Group, Rahimafrooz, Rangs Group, and Square Toiletries.

Visit the [WEConnect International website](#) for the updated list of signatories.



Representatives from Gemcon Group, Marriott International, and Knit Asia Limited share their ideas during the launch of the Supplier Diversity Advisory Committee in Dhaka in September 2019.

Bangladesh's first Supplier Diversity Advisory Committee was established in September 2019 with representatives from [Apex Footwear](#), [BRAC Bank](#), [DBL Group](#), [Gemcon Group](#), [Knit Asia Limited](#), [Marriott International](#), and [Walmart India](#). The committee met over a six-month period to exchange ideas on how to **initiate and scale-up gender-inclusive sourcing**, to set and reach gender-inclusive sourcing goals, and to formulate lessons learned to share with the wider business community.

FROM THEORY TO PRACTICE: KEY STEPS TO INITIATE GENDER-INCLUSIVE SOURCING

In February 2020, a **day-long conference on supplier diversity** was hosted and attended by corporate representatives, women business owners, government officials and support organizations to discuss ways in which to ensure more WSMEs benefit from business-to-business transactions. As part of this discussion, senior corporate representatives from the Advisory Committee and other sourcing professionals and executives from across Bangladesh³ convened to further explore strategies for increasing gender-inclusive sourcing and supply chain financing.

Key steps and recommended actions for corporate buyers and financial institutions include the following:

| KEY STEP | RECOMMENDED ACTIONS |
|--|---|
|  <p>Obtain senior leadership support and raise awareness of supplier diversity within the company.</p> | <p>Raise awareness through media campaigns and share supplier diversity successes across the organization.</p> <p>Embed a supplier diversity effort within already existing diversity or corporate responsibility initiatives.</p> <p>Publish CEO statements in support of supplier diversity on company's social media platforms.</p> |
|  <p>Identify existing WSMEs in the supply chain as well as prospective women suppliers.</p> | <p>Map the supplier base to identify existing women-owned suppliers.</p> <p>Work with certifying bodies to identify prospective suppliers and verify the ownership and business license of WSMEs.</p> <p>Create a sector-disaggregated database of WSMEs.</p> |
|  <p>Provide information and training to WSMEs to help them network effectively within procurement departments and navigate complex procurement and loan application processes.</p> | <p>Engage corporate representatives to deliver training to entrepreneurs to position supplier diversity as an employee engagement tool and increase buyer-supplier interaction.</p> <p>In certain categories of purchasing, provide more flexible specifications that give smaller businesses opportunities to competitively bid on contracts.</p> <p>Financial institutions to communicate information to their WSME customers about necessary steps and documentation to apply for and obtain loans.</p> |
|  <p>Build a community of supplier diversity pioneers focused on long-term planning and coordination within a company and across companies.</p> | <p>Refer high-performing women suppliers to other buyers to increase contracts and demonstrate cash flow for loan applications.</p> <p>Financial institutions to structure performance incentives of their staff to increase the share of WSME clients.</p> <p>Modify a company's supplier portal to include a field to identify women-owned suppliers.</p> <p>Hire female employees in procurement or supply chain departments to facilitate outreach to prospective women suppliers.</p> |

PROJECT BACKGROUND

The WBG with implementation support from WEConnect International launched a project in 2017 called “Strengthening Market Access for Women Business Owners in Bangladesh”, to assess the potential for market linkages between Women-Owned Small and Medium Enterprises (WSMEs) and local and multinational corporations in Bangladesh. The project expanded to engage senior corporate representatives and connect them to WSMEs under the World Bank’s Bangladesh Women Entrepreneurs Finance Initiative (**We-Fi**) and as part of a **global partnership** between IFC and WEConnect International.

PROJECT NEXT STEPS

Over the next three years, the project will be scaled to provide **supplier development training to an additional 700 women entrepreneurs** as well as engage more corporations in their efforts to initiate gender-inclusive sourcing. To further support these efforts, a supplier and buyer **database will be developed to provide a link between women entrepreneurs and procurement professionals**. The WBG in partnership with the Ministry of Commerce of Bangladesh, other governmental agencies, WEConnect International, and a local university will work to **connect WSMEs to corporate value chains** as part of a sustainable long-term economic growth strategy. The training program and business development events will take into account the ongoing COVID-19 crisis by incorporating best practices in virtual learning and networking.

GET INVOLVED

Join the supplier diversity movement by signing a pledge letter committing your company to source more goods and services from WSMEs. Contact us today to organize a meeting and receive support to reach your supplier diversity goals.

BangladeshWEConnect@WEConnectInternational.org

¹ Gender-inclusive sourcing is the procurement of goods and services from women-owned suppliers to realize costs savings, identify innovative solutions, and promote gender equality and women’s economic empowerment.

² [World Bank Findex 2017 data](#).

³ Companies represented include ACI Foods, Berger Paints BD, Chaldal, City Bank, Desh Garments, Eastern Bank, HSBC, IDLC Finance, Johnson & Johnson, NDB Capital, One Bank, Partex Star Group, Praava Health Bangladesh, PRAN-RFL Group, Rahimafrooz, Rangs Motors, Solar Intercontinental, and Venture Investment Partners.