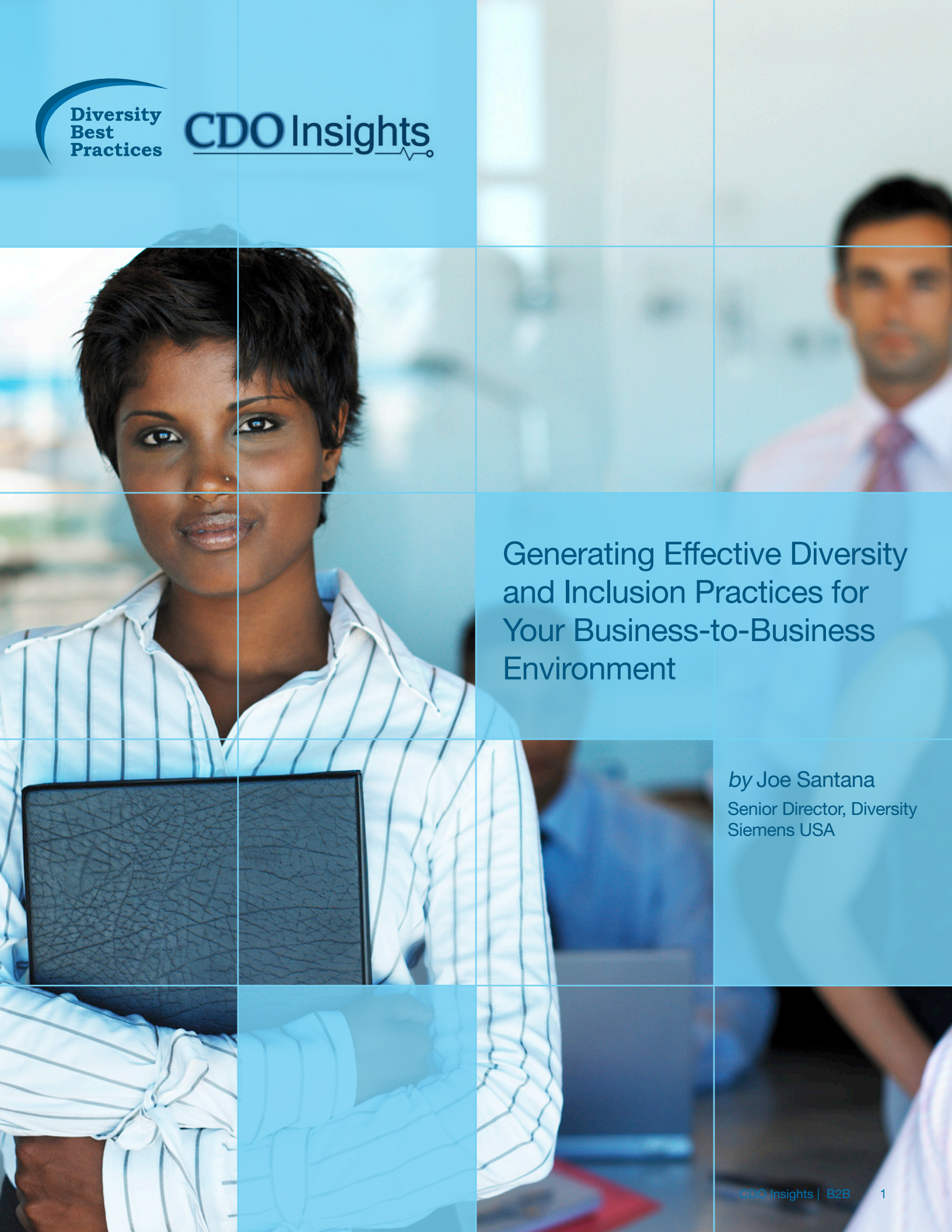




CDO Insights



## Generating Effective Diversity and Inclusion Practices for Your Business-to-Business Environment

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*Summary: It's a smart move for any company starting a diversity and inclusion initiative to begin by looking to the effective practices of other companies. However, it's not enough for a company to simply take what other companies are doing—even when these initiatives are deemed “best-practices”—and simply imitate them. Even companies in similar types of business will find that their specific business strategy and clients will affect their diversity needs and opportunities. A “cut and paste” approach to diversity will fail to fully use the benefits diversity can offer and potentially waste investments and efforts where they are not needed. At no time is this danger more present than when business-to-business (B2B) organizations attempt to mimic business-to-consumer (B2C) practices. The purpose of this paper is to explore why and how B2Bs can create their own effective practices.*

## A “cut and paste” approach to diversity will fail to fully use the benefits diversity can offer and potentially waste investments and efforts where they are not needed.

According to the results of a 1998 Fortune magazine and Society for Human Resource Management (SHRM) study, nearly 75% of Fortune 500 companies had a diversity program in place and another 8.9% were planning to institute a program.<sup>1</sup> In order to more fully understand what led to such a widespread adoption of diversity and inclusion efforts in the United States we need to first take a look back at the development of diversity practices in the United States.

Many American workplace diversity efforts saw the first light of day during the groundbreaking civil rights legislation of the '60s. On July 2, 1964, Congress started the ball rolling with the enactment of the Civil Rights Act under the Commerce Clause, of which Title VII makes it illegal for hiring organizations to discriminate based on color, race, sex, religion, age, national origin or disability. A year later, Executive Order 11246 mandated that all government contractors get on board with the affirmative action movement.

With the passage of these laws and other slow-baking changes in practice and policy, a gradual chipping away of barriers and glass ceilings began, which resulted over time in financial improvement within various groups that were formerly not as active in our economy. On top of this, immigrants poured into the United States, and the literal face of the American consumer changed.

Given all these changes, it's not surprising that:

- Salsa sales exceeds ketchup sales.<sup>2</sup>
- While bread sales are declining, tortilla sales are increasing.<sup>3</sup>
- Women purchase 65% of all new cars and 53% of used cars. Women also influence 95% of all auto purchases.<sup>4</sup>
- Up to one third of automotive do-it-yourselfers are women.<sup>5</sup>
- Women spend over \$20 billion on home electronics.<sup>6</sup>
- Changes in population age, ethnicity, race, tastes, etc. are impacting the types of cosmetic products that sell well in the United States.<sup>7</sup>

I could go on, but I believe this is enough to make the point. Today's buyers are very different from yesterday's buyers in terms of who they are, what they want and what they expect.

In light of this, it's not surprising that as these changes were slowly taking place in the decades following the aforementioned historical developments and legal decisions, along with other societal fluctuations, private companies—especially those that served consumers—upped the ante even further relative to their diversity practices. In fact, by the late 1970s and into the 1980s, there was growing recognition within these companies that while the legal mandates were necessary, they were not competitively sufficient. B2C companies became keenly aware of these changes as they saw their consumer base changing, and they saw the increasing opportunities in the growing dollars commanded by various formerly underrepresented groups.

The senior executives who were informed of these changes by the earliest pioneers of diversity and inclusion initiatives drove the development and execution of diversity and inclusion campaigns within corporate America. These early initiatives went far beyond what the law required, and soon these trailblazers were joined by others who competed for a larger share of these emerging and growing consumer demographics. Many of the well-defined diversity and inclusion procedures and methods invented by these pioneers for their specific environments, which were used and refined until they were proven to produce near-optimum results, became what we call “best practices.”<sup>8</sup>

Meanwhile, B2B organizations were not as rapidly or directly impacted by the changing face of B2C customers, but they did not remain completely unaffected for long. Just a few of the areas that brought the business need for competitive diversity practices to these companies included the following:

- *Changing talent pool demographics.* In the science and technology space, for example, we've seen a steady decrease in the number of white-male workers with PhDs and a corresponding increase in female and minority workers with advance science and math degrees.<sup>9</sup>
- *Increasingly strong diversity commitment demands from their B2C customers.* While B2Bs do not do business with the changing consumer demographic, B2Bs do engage in business with the B2Cs who serve these customers. Many B2Bs find that in order to meet the increasingly diversity rigorous “requirements-to-do-business” of their

diversity-competitive B2C customers, they need diversity and inclusion programs that do more than simply comply with the law. In fact, as an example of how tough B2C clients can be in their demands of their B2B service providers, we can take a quick look at a recent event involving Wal-Mart. According to Donald Fan, Senior Director Diversity Strategy Marketing and Communications for Wal-Mart, back in 2005 Wal-Mart sent a letter to the top 100 law firms that handled the most business volume with the retailer. The letter, shared Fan, explained that, “in order to continue doing business with Wal-Mart, these companies would have to comply with the creation of diversity programs that produced objective results that could be measured in the form of increased diversity in hiring and promotions.” Between then and 2008, Wal-Mart’s legal department altered its relationship with four of the law firms on that list for failing to meet the standard, although in general these firms were performing their core legal services at or above satisfactory levels. While this example is certainly one of the toughest and an exception to the norm, nevertheless, many other B2Cs are making their own tough demands.

- *The need to engage and use an increasingly diverse workforce.* Because of the changing supply of talent, today most organizations in the United States are more diverse than they were years ago, even if they did not have a strong diversity recruiting program in place for the last three to four decades. With a new workforce demographic comes the need to better understand how to fully include and engage a workforce that often may perceive and interpret the traditional practices and norms of the American business environment in a way that differs from the workforce of the past.<sup>10</sup>
- *The globalization of businesses, which means working with teams, partners and customers around the world.*
- *The growing recognition that there is a huge value in the creative interplay that results from bringing together and connecting different modes of thinking, backgrounds, experiences, types of expertise and individual qualities across all organizational levels.*

Being an Equal Opportunity Employer is as much evidence of having a competitive diversity advantage as having email is evidence of having a competitive communications advantage.

Therefore, like B2Cs did decades ago, B2Bs in the years that have followed have also found that while compliance with applicable legal mandates is necessary, it is not sufficient if a company wants to be more competitive than its rivals for talent and business. Simply put, being an Equal Opportunity Employer that meets all of the requirements for doing business as a government contractor in the United States is just “business hygiene.” In today’s business climate, it’s as much evidence of you having a competitive advantage as boasting you have email access.

So, recognizing the need to do more than what is required by legal mandate, many B2Bs today are part of the growing number of companies that have diversity and inclusion programs designed to make the company more competitive. The force driving the adoption of these programs is not just compliance, but rather, to more effectively compete for talent and business in today's environment.

In some cases, you will find that the diversity and inclusion programs in some B2Bs look exactly like those found in B2Cs. That's not surprising when we consider the fact that when B2Bs went shopping for effective practices in diversity, they often found them in the B2C companies who pioneered many of these competitive corporate diversity and inclusion initiatives. Unfortunately, this sometimes leads B2Bs towards having practices in place that do not seem attuned to the needs of the B2B organization. For example, in some of my travels and discussions with colleagues, I've come across B2Bs that have affinity networks set up to help them better understand diverse clients when their institutional buyers are no different today than they were years ago.

While looking to B2Cs is certainly a very good start, it's not enough for a company to simply take what other companies are doing—even when these are deemed “best practices”—and then imitate them. Even organizations in similar types of business will find that their specific business strategy and clients will affect their diversity needs and opportunities. To just imitate what others are doing ignores these specific needs and opportunities and fails to fully use the benefits diversity can offer that company. This can result in potentially wasting investments and efforts where they are not needed. As noted by one of the members of Wharton's management department, Daniel A. Levinthal, “The best human resource management practice for Nordstrom may not be the best for McDonald's. It may actually be dysfunctional.”<sup>11</sup> Using this “study-the-other-guy and copy” method may seem like a shortcut to quickly building a diversity practice, but B2Bs should resist the urge because it just does not work.

If you think that is a bold statement, note this: Specific empirical evidence in the area of diversity actually shows that just having so-called diversity and inclusion practices taken from books or copied from other companies that do not address the specific environment and are not linked to the context of the internal business and external competitive environment generally do not produce the desired positive results.<sup>12</sup> In other words, companies that find practices that are producing results in another company, and who simply imitate these practices, may only achieve the appearance of having a best practice. That's because these organizations are doing something that is known to have worked elsewhere but that very likely is producing little-to-zero impact in their organization. On the other hand, companies that use what they've learned as a basis for developing an approach that is informed by their business strategy and linked to their environment will, in effect, generate their own “best practice.”

In the balance of this paper, we will take a close look at how some B2B companies have gone about learning and developing their own effective practices. Specifically, we will look at:

- Generating a business case that is relevant to your B2B.
- Getting business value out of your affinity networks/employee resource groups in your B2B.
- Developing strategies for dealing with B2B-specific challenges, such as weak or zero employee brand recognition.

After these sections, the paper will conclude with:

1. Some suggestions on how to shop for ideas that you can use as the basis for generating effective practices within your B2B organization.
2. A recommended approach for developing your own effective diversity practices from what B2Cs and others have developed over the last four decades.

## Generating diversity value statements that are relevant to your B2B

One of the cornerstones of a corporate diversity initiative is the development of a business case for the initiative. The most popular version of the business case in the United States tends to contain a variation of the following language: *“Embracing diversity helps us to better reach and serve our diverse customers.”*

While I think that this is a bit vague, clearly there is a direct truth to this when it comes to B2C companies, which have a direct line-of-sight connection to the changing demographics influencing their business results. The value they can mine from increased diversity and inclusion within their company is always apparent, as it lays just one transaction away in the buyers’ profile and composition. For example, if you’ve recently visited an Applebee’s or another casual dining restaurant, you might have noticed local knick-knacks and decorations, from framed photos of the local high school football teams to the old belongings of the famous person who put that particular Anytown, USA on the map. The value of knowing and embracing specific social differentiators acquired from employees who are familiar with these factors in order to make that Applebee’s “restaurant of the community” is apparent in the number of people who repeatedly come back to the restaurant.

But, as we’ve previously stated, in the case of the B2Bs this correlation is not so clear; the B2B relationship to end consumer demographics is often full of winding roads with blind corners. Copying a variation of another B2B’s business case isn’t the answer either. Clearly there are differences as well as similarities between a company that offers a host of science and engineering solutions, an institutional law firm, a maker of raw materials for the automotive and travel industry, and all the other organizations that fall under the B2B umbrella.

The fact is that growing diversity in the United States and shrinking of the world through globalization does present a host of opportunities for all types of B2Bs to compete for market share. Furthermore, the basic value in using diversity as a competitive tool can be crafted into and articulated in a much stronger and clearer way with a more company-specific value statement. As noted earlier in this paper, B2Bs can find opportunities to be

more competitive by effectively harnessing and using diversity forces arising from one or more of the following:

- *Changing talent pool demographics.*
- *Increasingly strong diversity commitment demands from their B2C customers.*
- *The need to engage and use a diverse workforce being brought into the organization.*
- *Globalization of business.*
- *Tapping into the huge value in the creative interplay that results from bringing together and connecting different modes of thinking, backgrounds, experiences, types of expertise and individual qualities across all organizational levels.*

This, of course, is not an exhaustive list, but it presents a good basis for further exploring and discussing this topic with an understanding of opportunities B2Bs tend to have in common. Along with this, consider your company's markets, values and key levers for success and you'll have the ingredients for creating your own meaningful value statement for your specific company.

One example of a very company specific statement that highlights the importance of attracting, engaging and using the full diversity of the talent pool to meet the needs of a specific set of institutional clients is the one used by Siemens in the United States. The statement reads as follows: "Diversity is one of the key sources of Siemens' competitive edge. Our diversity of employees and business partners fuels the innovative solutions that have made Siemens a successful leader for more than 150 years. At Siemens, we actively seek to achieve our People Excellence goals and increase our competitive advantage by diversifying and leveraging our workforce and suppliers."

A quick look at Siemens in America reveals how this statement is extremely relevant and "linked into" the business. In the United States, Siemens' various B2B divisions offer a wide array of products and services to help public and private institutional customers in industry, energy and healthcare to meet their challenges and stay competitive. Siemens knows that innovation is the key to continued success in being the partner of choice for these clients. With that in mind, in 2008 the company invested approximately \$5.7 billion in research and development worldwide. Overall the company generates more than 30 inventions every business day and, in close cooperation with institutional customers, transforms these into new products, systems and solutions. On the worldwide arena, as stated by the company's Global CDO, Jill Lee, Siemens values "diversity and inclusion across a broad array of dimensions, including different ways of thinking, backgrounds, expertise, experiences and individual qualities on all organizational levels. In the end, it's all about the business. To foster cutting edge thinking and to accelerate growth, diversity is essential." This calls for the following approach everywhere the company operates, including the United States:

1. Attracting and engaging the best talent across all dimensions of diversity to work together to lead, innovate and transform ideas into products, systems and solutions.
2. Attracting and engaging the best talent across all dimensions of diversity to work together to execute these products, systems and solutions for clients.
3. Fully engaging these talent pools and their diverse thinking, experiences and perspectives to work together to deliver at the very highest levels of innovation and performance.

# Before moving forward, remember this: A business case is most effective when it is directly linked to your business.

In addition to this, Siemens also pursues a very aggressive supplier diversity program that helps bring the same diversity of thinking, experience and perspectives to their supply-chain. Clearly, this diversity value statement is very much owned by and linked into Siemens' worldwide and United States innovative business approach.

Another example of a B2B with a very company-centric, company-linked diversity value statement that focuses on using company-specific diversity opportunities can be found in Arrow Electronics, Inc., a company that provides products and services to industrial and commercial users in the electronics industry. The diversity business case contained in their mission statement reads: "Arrow Electronics strives to foster and grow a diverse and inclusive environment that encourages an open exchange of ideas, where each individual is valued, respected and enabled to reach his or her potential. We firmly believe that embracing and learning from individual differences is a strength that will give Arrow a sustained, competitive advantage with customers and suppliers and enable innovation for Arrow's continued success." Like Siemens, Arrow Electronics, Inc. realizes that an important avenue for creating value through diversity in their company is to focus on how to better compete for and engage diverse employees and partners.

Finally, fellow B2B Fortune 500 member U.S. Steel also connects their diversity drive with the need to recruit top and fully engaged talent in order to bring its vision statement to life. The U.S. Steel vision statement is, "Making Steel. World Competitive. Building Value." U.S. Steel bridged this to the need to secure top talent from an increasingly diverse pool by introducing this addendum as their diversity business case: "In order to attract and retain employees with the talents and skills needed for the company to achieve its Vision... U.S. Steel is committed to creating an environment that values people's differences." Furthermore, U.S. Steel, which partners with Chrysler, consistently works beyond this talent competitive focus to also promote itself as a good corporate citizen and supporter of the big three automakers' diversity and inclusion initiatives.

As is the case with Siemens, both Arrow Electronics and U.S. Steel have found that by identifying their specific diversity opportunities and creating value statements that practically link their diversity efforts to their specific business, they have achieved a focused approach that brings them value from their diversity investments.

Before moving forward, remember this: A business case is most effective when it is directly linked to your business. Even though you may be a B2B and these are B2B examples, you will still be better served by going through an analysis of your business and using these and other examples essentially as inspirational guides toward the creation of your own unique business case.

## Getting business value out of affinity networks/employee resource groups in a B2B

Another popular diversity practice is the affinity network, also referred to as the employee resource group. An affinity network/employee resource group is generally a voluntary association of people within a company organized around an aspect of common identity and interest. For example, some companies have affinity networks/employee resource groups started by employees that focus on people of the same age, sex, race, gender, ethnicity and other dimensions. (Companies also often have other network groups that they do not refer to as “affinity networks/employee resource groups,” who upon closer inspection meet the criteria. For example, a network of engineering professionals is an affinity network of people who share a common profession.)

In 2005, Diversity Best Practices estimated that 90% of the Fortune 500 companies had or soon would have affinity networks/employee resource groups.<sup>13</sup> Clearly, affinity networks/employee resource groups are considered a valued resource among diversity practitioners, but to truly have a value-generating affinity network/employee resource group in your company, like everything else, you need to link these to the needs of your business. Just copying the way another company uses them is not enough.

For example, in many B2C organizations, these networks were and continue to be great tools for gaining insights into the minds of consumers who share the characteristics around which the network is organized. In other words, these networks basically serve as in-house focus groups. (For example, an affinity network of Hispanic employees in a B2C that sells cosmetics might review and provide feedback on a marketing campaign specifically targeting their own demographic).

What value, however, can these networks provide in a B2B environment? The answer is “plenty.” For example, at Siemens, there’s a huge and growing list of affinity networks/employee resource groups across its U.S.-based companies. Among the networks, in addition to networks targeting women and various ethnic and racial groups, the company also has a Young Graduates Affinity Group, the Differently Abled Group, GLBT groups, another group that focuses on ecological “green” concerns, a variety of age-centric groups (Gen Y as well as Baby Boomers have stepped forward) and a professional experience group.<sup>14</sup> These networks specifically help Siemens to:

- Fine-tune its recruiting message so that it resonates in a positive way with the new and evolving pool of top talent, resulting in better hires across all dimensions of diversity.
- Articulate the Employer of Choice message to different talent segments.
- Create an environment that makes a huge company seem smaller and warmer to its members across various dimensions of diversity, and thus, support retention and engagement as evidenced by the fact that the company has an unbiased retention record.
- Connecting together people who, while sharing a particular aspect of diversity, possess a full range of diversity in other areas. For example, an Affinity Network/Employee

Resource Group of Asians can bring together people from Finance, Marketing, Human Resources, training and so on that would under normal job circumstances have no reason to get together.

- Identify ways to use special skills and talents possessed by specific members that can be used to drive the business. For example, identifying employees that have the language and cultural skills to work on important projects in Latin America.
- Engage in volunteer activities within specific communities of interest to the network, which are then captured and converted into collateral material to support the company's branding and the branding of business partners.

The list can go on, but I believe this is sufficient to make the point. At Siemens, affinity networks/employee resource groups are used in a manner that directly addresses the company's specific business environment. As a result, these are a business-relevant practice and part of the overall business and diversity strategy. In fact, in order to encourage the continued creation of these groups by employees, Siemens has developed and implemented a nationwide Affinity Network Guideline and Policy, which provides clear and specific steps on how employees can effectively start and run affinity networks, as well as suggestions as to how these networks can best be used within Siemens.

Likewise, fellow B2B Arrow sees a great deal of value in these networking groups, which the company specifically use to maximize meaningful employee engagement. By having these networks, Arrow finds that it can draw out and use the unique talents and capabilities that come bundled in with individuals that may not be tapped into during their regular jobs. This is of very specific value to Arrow within their business model. Ditto for U.S. Steel, who uses a similar approach, drawing on diverse employee resource groups to help form effective practices for bringing in new employees from growing demographics, supporting recruiting efforts and managing ongoing employee-relations.

To recap, these affinity networks/employee resource groups inspired by the presence of this practice in other companies are more than a replica of what inspired them. Rather, they are specifically designed to operate as an effective practice within the companies that host them, given specific company needs, resources and constraints.

...[These affinity networks/employee resource groups] are specifically designed to operate as an effective practice within the companies that host them, given specific company needs, resources and constraints.

## Developing strategies for facing low brand recognition and other B2B-specific challenges

According to The Media Economics Group, which tracked 2,494 advertisers, companies spent \$693.0 million in 2006 to reach multicultural consumers via African American and Hispanic magazines. On average, these advertisers spent nearly two-thirds (64.8 percent, or \$449.2 million) of their budgets on African American magazines with the balance (35.2 percent, or \$243.8 million) on Hispanic magazine ads.<sup>15</sup> Naturally, these companies were B2Cs, including such well-known names as Procter & Gamble, L’Oreal USA, General Motors, Clorox Company, Ford Motor Company, Burger King, Walt Disney, JC Penney, BellSouth Corporation and Heineken USA, Inc.

Multicultural marketing and advertising is another key diversity practice used by B2Cs to give themselves recognition and a sense of connectedness to the growing multicultural consumer. A by-product benefit is the instant name recognition B2Cs enjoy when job candidates from these communities see the company name on a list of attendees or a booth at a job fair. B2Bs, on the other hand, do not generally enjoy instant name recognition. Except for a few companies, such as U.S. Steel from our examples in this paper, B2B companies such as Arrow Electronics and Siemens are not easily recognized household names in the United States.

Admittedly, succeeding in attracting the best talent to your business from the increasingly diverse pool requires much more than winning a shallow multicultural popularity contest, but top-of-mind brands and B2Cs in general experience a huge recruitment boon because people already know who they are from the huge dollars they spend advertising their products and services to the public. This familiarity breeds a sense of connection that predisposes a job seeker to take a closer look at the offering. The added focus on multicultural consumers in turn becomes a way companies brand themselves with the growing number of highly talented multicultural job candidates in the United States. B2Bs, on the other hand—even if they are embedded in almost every product sold to consumers by the B2Cs—often fly unseen outside their own business bubble. B2B organizations can be global Fortune 500 powerhouses and leaders in their industry but still remain fairly anonymous to the general public. Therefore, if B2Bs want to compete for the best workers from an increasingly diverse workforce against better publicly branded B2C rivals here in the United States, what can their diversity effort leaders do?

While intensive multicultural advertising and marketing may be considered a diversity best practice at B2Cs, I do not believe that a cost-conscious B2B senior executive would authorize setting up a competing campaign. Nor is it necessary. In my experience, a better approach is to develop an entirely new set of B2B practices in order to get the company name and brand out in front of the right audiences without using the entire diversity budget to do it.

One two-prong tactic Siemens has successfully employed in response to this need to secure employer branding with top multicultural and female talent comprises the following:

1. *Highly focused advertising and public relations.* A day does not pass when the phone does not ring with calls from magazine publishers extolling the virtues of advertising as a way of branding Siemens as an Employee of Choice for one or more dimensions of diversity. While all of these are, for the most part, excellent publications, Siemens' focus is only on those channels that will get the message out to engineers and IT professionals, because about 80 percent of the hires for all Siemens companies in the United States are from this area. Furthermore, the company will focus on advertising only with a limited number of publications that cater to the target reader. PR efforts in the form of interviews with employees about their experience in the company are also focused on the selected publication during a set period of time in order to saturate that channel and maximize the impact of each dollar invested. The result is that audiences get the message and reward Siemens with a high ranking.
2. *"Well planned and executed marketing tactics" at job-fairs.* Siemens does this by first targeting select job fairs for investment. Again, like publications, there is no lack of diversity hiring events. Siemens selects and focuses on only a few that attract a large audience of engineers, such as the National Society of Black Engineers. Next, Siemens works hard to land its conference representative on appropriate speaking panels and workshop tracks during the job fairs. This helps overcome the B2B anonymity challenge in two ways: First, it gets the Siemens' names and a sense of what the company does out in front of job candidates when the speakers introduce themselves and the company. Second, it gives participants an opportunity to get a sense for the company's culture through the behavior and quality of the speaker/workshop leader. A third benefit is that after the workshop, the speaker can invite attendees to come and speak with them at the Siemens booth, which generates increased traffic. Just in the past three years of using this approach, Siemens has collected over a thousand names of talented potential job candidates that now sit in a database, which is mined as needed. The company has also secured some hires directly from these job fairs and based on the company's average cost per hire, these events are considered a good return-on-investment.

This approach can be greatly complemented by advertising or securing articles in conference and pre-conference publications so that your employment brand is already cued up for success by the time you get to the event.

The bottom line is that B2Bs with a strong recruitment component to their diversity strategy cannot ignore the lack of job candidate awareness of their brand.

There are hundreds if not thousands of ways to gain exposure to the practices of other companies and to let these inspire you in the creation of your own effective practices.

Like Siemens, fellow B2Bs Arrow and U.S. Steel use several multi-faceted approaches to establish an employee brand and attract potential candidates that contain specific components more suitable to their needs such as electronic surveys, print and online advertising and internal messaging tools.

The bottom line is that B2Bs with a strong recruitment component to their diversity strategy cannot ignore the lack of job candidate awareness of their brand. Even more than B2Cs, B2Bs need to take positive steps to build an employer brand. B2Bs, however, cannot and should not attempt to compete for attention using the intense multicultural marketing blanket approach used by B2Cs unless they have bottomless pockets.

In concluding this section, let me say again that even though the examples and ideas discussed are from B2B environments, you are still encouraged not to simply copy them, but rather, to use them as inspiration for developing your own B2B company-specific effective practices.

## Uncovering new practice inspiration

One way that many B2Bs, such as Siemens, Arrow and U.S. Steel, have developed their own highly effective practices is by seeking the inspiring ideas of other company's, including those of the B2C diversity trailblazers. Here, therefore, are just a few of the sources you can use to uncover inspiring new ideas upon which to base the development of your own B2B effective practices:

- Join organizations like Diversity Best Practices. DBP offers you a wealth of avenues for connecting with peers, including trailblazing B2Cs and aggressive B2Bs from whom you can learn a great deal about what's working for them.
- Join other associations and groups as needed to help you get an even larger picture of existing opportunities and how others are addressing them. For example, Arrow uses their relationships with National Women of Color, National Urban League, Diversity/Careers, DiversityInc, The Conference Board, HBCUConnect and others. Both Siemens and U.S. Steel have some of the same and other names on their lists of associations that they tap for ideas to stimulate effective practice development for their companies.

- Don't ignore other rich sources of information including corporate websites where companies sometimes talk about specific practices. Furthermore, pay attention to press releases, articles, presentations and workshops where companies discuss their practices. Moreover, seek out blogs, former employees of companies with excellent practices that now work for your company, brochures and other information given away at professional and association booths.

Again, these are just a few ideas to get you thinking. There are hundreds if not thousands of ways to gain exposure to the practices of other companies and to let those inspire you in the creation of your own effective practices.

The essence of implementing a highly effective competitive diversity practice is relating the practice to the company and its unique business environment and opportunities.

### The recipe for creating your own best B2B practices

The specific areas of a diversity practice covered in greater depth in this paper were randomly selected to serve as vehicles for conveying ideas. Clearly, diversity strategies that are designed to make a B2B company more competitive and able to take advantage of the growing opportunities presented by increasing diversity in the United States require more than just a strong, custom crafted value proposition, using affinity networks/employee resource groups, and having employer brand-building activities that appeal to diverse demographics.

Since we cannot cover every single conceivable diversity practice, nor the multiple possibilities for executing them in various environments, I will instead suggest to you the following guidance for building your own effective practices:

1. *Start by looking at the competitive opportunities offered to your B2B by the increasing diversity in the United States, globalization and the hidden opportunities that can be found by connecting people of different background, experiences and perspectives.* Are there under-served or off-limit markets that you can tap into? Is there a fresh new talent pool you can access that will lower your costs, increase your production/innovation or make you more efficient? Who do you sell to? What do they need? How are other areas in your company such as sales, marketing, human resource, purchasing

and so on structured to meet the business' needs? Do you have silos of different types of experience, ways of thinking and perspectives that are not connected to each other or not fully engaged in supporting your business efforts? Are you fully tapping into all the markets and resources around the world? Ask a lot of these types of questions. To paraphrase (and slightly revise) President John F. Kennedy, "Ask not what your company will do about diversity, but ask what diversity offers you." Once you've asked a lot of these questions and listed several potential ideas, you are ready to go to the next step.

2. *Next, look for the practices employed by others who are getting results in your areas of interest.* Using the ideas discussed in the previous section to find out what other companies are doing, generate a list of practices that you can use to make your company more diversity competitive.
3. *Customize and generate your own "home-grown" practices tailored to the specific needs of your B2B.* Look at the particular needs of your company. Like people, no two companies are exactly alike. Come up with approaches that are designed to meet your needs, test them and optimize them until they are fine-tuned for your company environment.

## Conclusion

In summary, it's a smart move for any B2B company starting a diversity and inclusion initiative, or pushing an existing one to new heights of competitiveness, to shop the effective practices of other companies. Because of their successful early history in developing practices specifically to increase their competitive advantage, B2Cs can offer much by way of examples of the best of these practices. However, it's not enough for your company to simply take what these or other companies are doing and imitate them.

In the end, diversity and inclusion practices for increasing competitive advantage—like all competitive efforts—work best when we let our business context inform them. As competition guru Michael Porter states, "The essence of formulating competitive strategy is relating a company to its environment." Likewise, the essence of implementing a highly effective competitive diversity practice is relating the practice to the company and its unique business environment and opportunities.

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