



# insights

Bridge Partners LLC  
11 East 44th Street  
Suite 1001  
New York, NY 10017  
Tel: 212-265-2100  
Fax: 212-685-3010  
www.bridgepartnersllc.com

APRIL 2011

A PUBLICATION BY BRIDGE PARTNERS, LLC

## CONTENTS

Leveraging Your Diverse Employee Base	1
Employee Resource Groups	2
Kerrie Peraino, American Express	4
Carolynn Brooks, Office Max	6

## CONTACT

Larry Griffin — Partner  
Tory Clarke — Partner  
Janet Albert — Partner

## LEVERAGING YOUR DIVERSE EMPLOYEE BASE *innovation, growth & loyalty*

Understanding the needs, wants, preferences and nuances of the customer is crucial in driving top-line growth. As a result, millions of dollars are spent each year on market research and analysis to support the development of innovative products or services.....and then when you have the attention of the customer, millions more dollars are spent keeping them.

In today's market, with such a high level of brand exposure and an increasingly savvy and well-informed customer, it is critical that companies remain ahead of the competition in providing the consumer with what they want.

The recent release of initial 2010 census figures has confirmed what most executives already knew - that the so-called minority populations in the US are growing - growing fast - and wielding a significant proportion of the annual consumer spend. The customer has changed.

So what have the world's corporations been doing to anticipate this demographic change? What resources have they been leveraging to gain insight into the reality of how this consumer will spend in 2011 and beyond? Well, as noted in a Brandweek article last year, many have been changing their agencies of record....

"Preparation for change is happening fastest at brands that over-index with minority consumers. Executives say companies such as McDonalds, Ford and P&G, whose products are used by all Americans but are seeing special sales growth among minorities, are already conducting their marketing on the assumption that their typical consumer isn't white.....[companies] have moved ad accounts from agencies that specialize



in targeting minorities and consolidated those duties at their general market shops....if minorities are the majority then general market advertising will by default reach large numbers of them." <sup>1</sup>

A good start. But what about that customer insight that walks through your doors every day? Who knows your consumer better than your employees? After all, if you have a truly diverse employee base, they are your customer - their families are your customer and their friends are your customer. Add to that the fact that they also understand your corporate values, brand messaging and strategy, and an organization has the opportunity to harness an extremely powerful resource.

*(continued on page 2)*



Continued from 1

By leveraging that resource effectively, many companies are finding they have access to an engaged and extremely insightful knowledge-base at very little, if any, additional cost.

A critical further benefit is seen in employee engagement – it is human nature that employees who are directly involved in projects that are seen to positively impact the organization, are going to be more committed and engaged to that organization. In good or bad economic times employee engagement remains vitally important. Engaged, motivated, loyal employees are an asset to any organization and numerous employee surveys, conducted over a number of years, have drawn a strong correlation between high levels of employee engagement and high levels of performance.

**FOOTNOTES:**

<sup>1</sup> "Minority Majority" – Jim Edwards, Brandweek, Sept 26th 2010

<sup>2</sup> 2010 ANA Multicultural Marketing & Diversity Conference – November 8th 2010

"....Our diverse workforce, the talent that we hire – the better that it reflects the consumers and markets that we serve makes us better from an innovation standpoint....research shows [that] the more diverse [companies] are stronger innovators than those that are more homogeneous .... brand building...resonates much better with individual consumers, the more diverse we are...." <sup>2</sup>

LINDA W. CLEMENT-HOLMES, CHIEF DIVERSITY OFFICER AND SVP, GLOBAL BUSINESS SERVICES, THE PROCTER & GAMBLE COMPANY.

## EMPLOYEE RESOURCE GROUPS ARE A BUSINESS ASSET

There has been some debate in recent years about the value of formal corporate Employee Groups, with many predicting they would fade away during challenging economic times...however, it would appear that the very opposite has been the case. These groups have not only increased in number and become more inclusive, but many have also evolved from support and networking groups into commercially-oriented alliances. Organizations have come to increasingly see them as business assets, relying on their insights and views, and leveraging

information derived from their own employees, in order to spur business growth and innovation.

Harnessing collective experiences, as well as individual qualities and perspectives, has been shown to enhance a company's competitive ability and generate business solutions for the organization.

By bringing together multidisciplinary employees from across an organization, with different functional titles, cultural backgrounds and levels of seniority, thinking is combined and new ideas/fresh perspectives are created. It has become possible for corporations to better-reflect and gain insight into their customer population, within their "own four walls".

Bridge Partners LLC has consistently found that employee groups based on an economic imperative, with their foundation as an integral and formal part of a company's business strategy, have increased in number and flourished - adding business value while also benefiting the employees who participate in them.

The most impactful groups will usually have a clear connection between the business goals of the corporation and the agendas of the groups:

- Innovation - reflecting the broader population and marketplace to provide insight and perspectives that drive new product development, marketing, sales, market research etc.
- External positioning – representing the company to the outside world in terms of brand messaging, customer retention, community development, talent acquisition, and cultural business training.
- Supporting internal development – employee engagement, retention, professional development, mentoring, and perspective on company policies and projects.



"...networks of informal relationships are often more critical to performance and innovation than those of formal divisions and units. These networks also have a lot to do with personal productivity, learning and career success." <sup>1</sup>



It is the first two of these points - innovation and messaging - that are particularly relevant to this edition of Insights, and employee groups remain under-utilized in both of these areas. According to Mercer's January 2001 study (ERGs Come of Age) only one-third of consumer goods companies (and even less B2B organizations) involve Employee Resource Groups in product or service design; however, many more engage these networks in marketing and customer relations initiatives.

The case studies provided by American Express and OfficeMax in this edition of Insights, provide clear and strong examples of the benefits of harnessing the energies and ideas of employees. Conversations within the broader Bridge Partners LLC network have further highlighted the commercial value of employee intuition, thoughts and feedback. Below are some additional examples from the public domain:

"At Ford, we point to ERG product development and marketing efforts that are noticeable, measurable, and directly impact the bottom line."<sup>2</sup>

**Ford:**

In JBC's recent publication "Employee Resource Groups That Drive Business" (2010), one of many interesting case studies was how Ford's Employee Resource Groups have helped to drive sales and product innovation:

- Selling vehicles through Ford's Friends & Neighbors program;
- Assisting with the development and execution of marketing campaigns to diverse customers;
- Soliciting feedback and preferences from diverse markets and individual customers through "Drive & Ride" events, where Employee Resource Group members listen to feedback and then report back to Ford's engineers and designers;
- Ford Employees Dealing with DisAbilities (FEDA) members provide Ford technicians and engineers with insights about the needs of people with disabilities.

**Dell:**

As described in Mercer's "ERGs Come of Age: The Evolution of Employee Resource Groups", Dell leverages its employee networks as a business asset on many levels:

- GenNext employees test prototypes of new products and provide feedback to the product development and marketing teams;
- Members of Adelante, the Dell Hispanic employee group, take part in customer briefings;
- Asians In Motion (AIM) members assist with the translation of business and product documentation.

**Wells Fargo:**

- In an interview with Michelle Scales, Director Diverse Segments at Wells Fargo (AdAge, July 26th 2010), Bill Imada reviews Wells Fargo's outreach to the Asian American market. Among many other initiatives, she discusses the Asian Business Services program, where resources and information are made available to Asian business owners through team members giving financial education workshops, as well as through community outreach.
- Separately, in a 2008 DiversityInc case study, Wells Fargo's success in building brand awareness among LGBT consumers and supporters was attributed in part to LGBT employee networks across the country hosting financial seminars in their community.

"The more groups get involved in solving real-time business problems, the more visible they become in the organization, the more excited employees become in the organization, and the more they benefit from their involvement..."<sup>3</sup>

**FOOT NOTES:**

- <sup>1</sup> "Building Vibrant Employee Networks" - HR Magazine Vol 49, No. 12, Rob Cross & Sally Colella, December 2004
- <sup>2</sup> Employee Resource Groups That Drive Business - Jennifer Brown Consulting, 2010
- <sup>3</sup> ERGs Come of Age: The Evolution of Employee Resource Groups - Mercer, January 2011

**READING LIST**

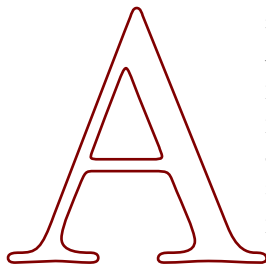
For additional case studies and recent information on how many corporations are leveraging Employee Resource Groups, we would like to highlight the following publications:

- Employee Resource Groups That Drive Business - Jennifer Brown Consulting, 2010
- ERGs Come of Age: The Evolution of Employee Resource Groups - Mercer, January 2011

**KERRIE PERAINO**

**VP HUMAN RESOURCES, CHIEF DIVERSITY OFFICER  
AMERICAN EXPRESS**

*Kerrie Peraino is Chief Diversity Officer at American Express, a position she has held since September 2008. She is responsible for developing the company's global diversity and inclusion strategy for nearly 60,000 employees in more than 100 markets. Peraino joined the American Express in 1996.*



American Express Company (NYSE: AXP) is a global services organization providing a range of payment products/services and travel-related services worldwide. The company is the world's largest card issuer by purchase volume and processes millions of transactions daily for individual and commercial cardmembers around the world; it also manages industry-leading rewards programs and platforms, and operates the world's largest travel network serving consumers and businesses.

American Express was founded in 1850 and its ability to continually innovate across a broad product portfolio for over 150 years is based, in large part, on the organization's ability to interpret and understand the needs of very diverse customers in widespread markets. There is a clear connection between the success of the business and the diversity of the workforce.

All team members are encouraged to share their distinct perspectives and ideas to help American Express achieve its vision of becoming the world's most respected service brand. Diversity and inclusion are highlighted at every level of the company through a three-pronged diversity strategy: talent segmentation, market segmentation, and workforce transformation. This diversity strategy helps find the most talented people and allows the leadership to understand the nuances of different markets and cultures.

*"If we don't connect the dots we are missing an opportunity. When we do connect the dots, we can drive business, engagement, and seize opportunities"*

**KERRIE PERAINO**



Talent segmentation is focused on attracting and retaining and advancing the best talent (for example, of the top 500 positions at American Express 35% are women in the United States, 24% are women globally) and initiatives include a well-established structure of Employee Networks, including AHORA – Hispanic Employee Network; ANA – Asian Network at American Express; BEN – Black Employee Network; CHAI – Jewish Employee Network; PASSAGES – Over 40 Network; PEACE – Muslim Employee Network; WIN – Women's Interest Network; and PRIDE – Gay/Lesbian/Bisexual/Transgender Network.

Market Segmentation is about driving business growth and innovation: understanding the communities and customers that American Express serves worldwide, and developing appropriate and appealing products and services for those constituents. Leveraging the employee base to help understand the motivators and buying practices of this diverse customer base is critical – the employees' connection to an increasingly diverse customer-base allows American Express to more effectively market new products and services on a global basis.

In order to achieve this, American Express uses a patent-pending process known as Diverse Marketplace Intelligence (DMI), which was developed in 2009 and draws insights from its talent-base and strategic external partnerships, such as Catalyst and NSHMBA. The concept of DMI is that it connects the dots beyond where multicultural marketing has gone before. Subsequent to its implementation, there have been several examples of success:



#### DMI Product – Gift Cards:

In 2009 and 2010 a series of themed American Express gift cards were introduced to celebrate various cultural and ethnic calendar highlights. One such card was the “Felicidades” card (pictured), targeted specifically at the Hispanic consumer and developed with significant support from the AHORA Hispanic Employee Network, which has 600 members in the US, as well as several international chapters.



The Employee Network partnered with American Express’ advertising agency to provide specifications with regard to sentiment, language, color, and design (ultimately voting on the winning card design). The impact of the card has been significant, not only driving brand new revenue (with sales increases year on year), but also creating employee engagement and new customer brand recognition.

#### DMI Event – Stonewall Equality Walk:

American Express is featured on Stonewall’s 2011 Equality index and, as one of the two largest employers in Brighton UK (European headquarters), American Express employees have long-participated in Stonewall’s annual Brighton Equality Walk. In 2010, American Express once again sponsored the walk and “connected the dots” between its PRIDE Employee Network, the Company, and its sense of community in the Brighton area, to drive revenue growth.

Partnering with the Global Merchant Services Organization, PRIDE network employees did what is known internally as a “city blitz” in Brighton, just prior to the walk. Instead of the usual Merchant Services representative visiting potential retailers and service providers in the area alone, they were accompanied by a non-Merchant Services LGBT employee and were encouraged to both support the walk and display point-of-sale collateral. This engendered a different conversation than the typical sales-pitch and resulted in 85% of the merchants displaying American Express-branded details of the walk in-store, and 4 new merchants signing up to American Express’ services – a direct revenue builder, as well as increasing employee engagement.

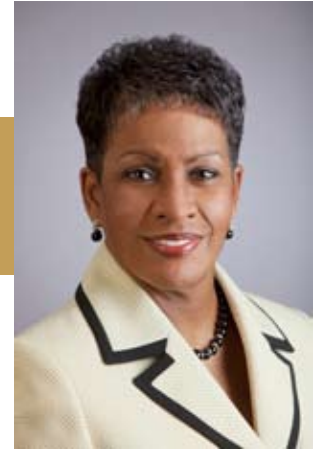
#### DMI Product – Zync:

The Zync card, launched in 2010, is a charge card that is targeted towards millennials and young consumers. One of its key features is that it allows consumers the opportunity to enroll in one of fourteen “Lifestyle Packs” that fall into the broad categories

of travel, socializing, communicating, and eco/responsibility. As many organizations know, this target audience is fast-moving and somewhat fickle, so it can be challenging to stay ahead of the curve with regard to product and service innovation.

Also as experienced by many organizations the demographic that American Express is aiming for with the Zync card does not plentifully exist within its own employee base, so they needed to create an engaged community to support their innovation. To this end American Express sponsored the 2010

inaugural One Young World symposium, sending five employee delegates and sponsoring a further five non-employee delegates. Through social networks, including Facebook and Twitter, a Zync cardholder conversation commenced, with cardholders able to tell delegates which issues they should address and what questions they would like to be asked at the symposium. This engaged community has subsequently been harnessed to influence how products are developed and how American Express markets to that demographic.



*As Chief Diversity Officer for OfficeMax Carolynn Brooks is responsible for the development and execution of the Diversity and Inclusion strategy for the \$ 8.2 billion Corporation that does business throughout the United States, Puerto Rico, Canada, Mexico, Australia, and New Zealand.*

**D**iven by the belief that an inclusive environment fosters innovation and creates a competitive advantage, Brooks has created an institutional base that supports and celebrates OfficeMax's multi-cultural environment and ensures that inclusion stays relevant to the Company's guiding principles.

"OfficeMax's commitment to diversity and inclusion is integral to helping its associates, suppliers and customers do their best work. We believe a strong focus on diversity and inclusion brings varied perspectives and talents together to drive innovative thinking and a better understanding of our customers. We are committed to a diverse workplace and firmly believe that our attention to diversity and inclusion is creating a new way of doing business."

OfficeMax's Office of Diversity and Inclusion targets three areas: Workplace, Marketplace and Community.

OfficeMax supports nine ARGs that reflect the diverse cultural make up that exists throughout the Company today. Those ARGs include:

- COPAA (Council of Pan Asian Americans)
- LGBT & Friends Leadership Council
- MaxABILITIES
- Max Moms
- MochaMax (Organization for African-American Associates)
- OLE (Organization of Latino Associates)
- OWN (OfficeMax Women's Network)
- Veterans ARG
- YIP (Young Innovative Professionals)

OfficeMax values the expertise and perspectives of these Associate Resource Groups and utilizes their insight to provide a different perspective in determining the best approach for multi-cultural marketing.

"We believe the ARG's focus must stay aligned with OfficeMax's corporate business strategy of Growth, Productivity and Differentiation. Frequently, we leverage our ARGs to help us look across the business and use their insights to be more responsive to our customers with greater engagement and a richer shopping experience.

For example, OfficeMax developed a multicultural strategy by leveraging the cultural knowledge of our OLE (OfficeMax Latino Employees) ARG to attract and sell to our Hispanic customers. Our OLE ARG team helps us understand how buying decisions are made and ensures that the shopping experience is geared toward Latino customers. This includes creating advertisements in both English and Spanish and having "Badge Talkers" that notify customers of bi-lingual sales associates. OLE members also assist our Talent Acquisition team when we participate at the National Society of Hispanic MBAs (NSHMBA) staffing events."

"...we leverage our ARGs to help us look across the business and use their insights to be more responsive to our customers with greater engagement and a richer shopping experience."

#### Workplace

OfficeMax has a strong track record of supporting women and minority-owned businesses (MWBE) for over 25 years.

Under Ms. Brooks' guidance the Office of Diversity and Inclusion created OfficeMax's Associate Resource Groups (ARGs) with

the mission to establish strategic relationships – internally and externally; identify potential solutions to workplace and marketplace barriers; serve as trusted business partners; and influence policies and practices through their specific cultural knowledge.

## Marketplace

Ms. Brooks also oversees OfficeMax's supplier diversity program whose mission is to develop sustainable business relationships with historically under-represented diverse businesses and ensure that minority businesses have access to merchants. "We work to establish mentor relationships between established providers and MWBE businesses with the mission of helping these businesses grow in scale and product volume. A primary example would be the relationship that exists between Boise Cascade and MBE, South Coast Paper. South Coast Paper produces an environmentally preferred copy paper called Bio Diverse Earth 30 that contains 30 percent post-consumer content and is sold in all OfficeMax stores nationwide and online through Officemax.com



# OfficeMax®

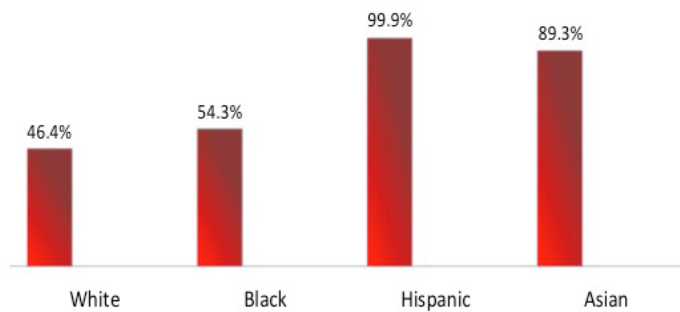
Another example is OfficeMax's relationship with Aspire CoffeeWorks based in Westchester, IL, which is a partnership between Metropolis Coffee Company, one of the nation's top artisan coffee roasters, and Aspire, a non-profit leader helping children and adults with disabilities. In 2010, OfficeMax's made Aspire CoffeeWorks products available through its Maxi catalogs and OfficeMax.com."

## Community

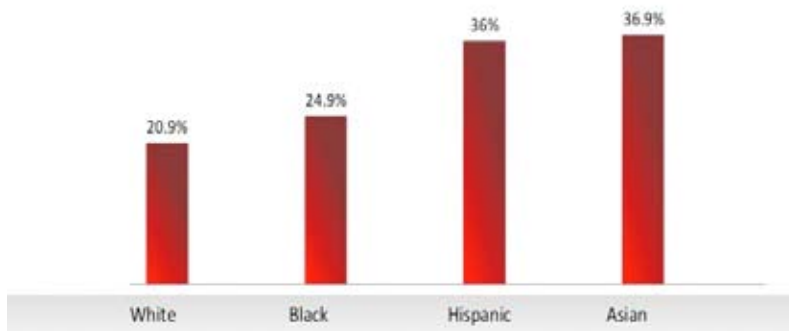
The third area of focus for the Office of Diversity and Inclusion is Community Involvement. "Giving back to the communities where we live and work is an important part of the OfficeMax philosophy and the reason behind OfficeMax GoodworksSM, which focuses efforts on improving K-12 public education and supporting teachers in Title I schools."

In the area of education, OfficeMax supports two organizations: Kids In Need and Adopt-A-Classroom. OfficeMax also supports an Associate Volunteer program, an annual employee charitable campaign donating to United Way or Adopt-A-Classroom, the Chicago Urban League, the Human Rights Campaign, Chicago's annual PRIDE parade and the Quad County Urban League.

**% CHANGE IN US BUYING POWER 2000-2009**



**% CHANGE IN US BUYING POWER 2009-2014**



Source: Selig Center for Economic Growth, Terry College of Business, The University of Georgia, July 2009

### A SAMPLE OF SEARCHES RECENTLY CONDUCTED BY BRIDGE PARTNERS LLC

VP Talent Management  
Foot Locker, Inc.

VP Global Diversity Policy & Advocacy, General Manager  
Foundation Starbucks Corporation

Executive Director  
StreetWise Partners

Executive Director  
Buying, Europe  
TJX Companies



## SELECT CLIENT LIST

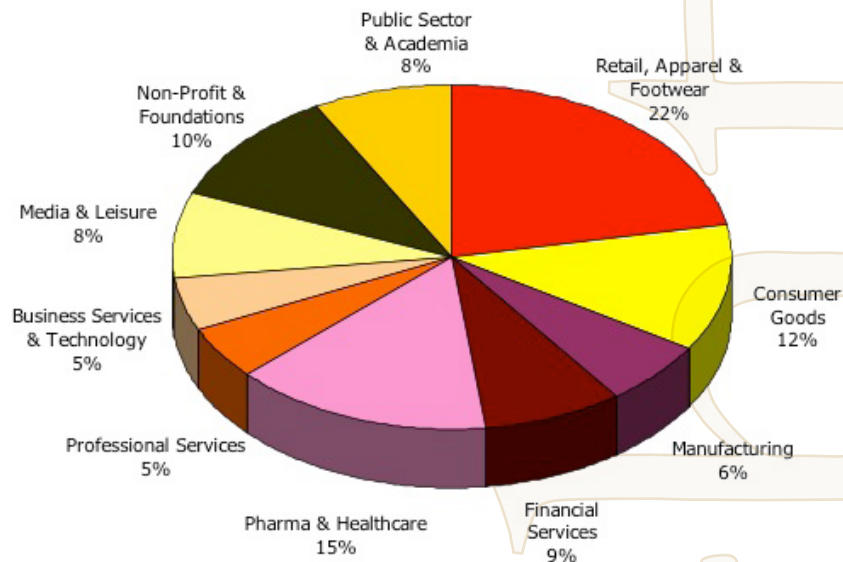
Alcatel-Lucent  
American Eagle Outfitters  
Barnes & Noble  
Brown Shoe Company  
Borders Group  
Campbell Soup Company  
Children's Place Retail Stores  
Choice Hotels  
Colgate-Palmolive Company  
CVS Caremark  
Federal Reserve System  
Foot Locker  
General Electric Company  
GNC Corporation  
Grant Thornton International  
Jackie Robinson Foundation  
Jimmy Choo  
Kaiser Permanente  
Macys  
Medco Health Solutions  
Merck & Co (Schering Plough)  
Merrill Lynch & Co  
Microsoft  
Pfizer (Wyeth Pharmaceuticals)  
Prudential Financial, Inc.  
Sodexo  
Starbucks  
Starwood Hotels & Resorts Worldwide  
Sullivan & Cromwell  
TIAA-CREF  
TJX Companies  
Tommy Hilfiger  
Travelers  
University of Medicine & Dentistry of New Jersey (UMDNJ)  
USAA  
The Walt Disney Company



### Bridge Partners LLC Executive Search Consultants

11 East 44th St, Suite 1001  
New York, NY 10017  
Tel: 212-265-2100  
Fax: 212-685-3010  
www.bridgepartnersllc.com

## INDUSTRIES WE SERVE



## ABOUT BRIDGE PARTNERS LLC

Bridge Partners LLC is a retained executive search firm with an unrivaled ability to successfully and efficiently execute senior-level search assignments, bringing to each project a focus on ensuring that our clients are presented with a diverse slate of candidates.

Our reputation has been built on consistently achieving superior results in the execution of our assignments. We are dedicated to a client-driven process and believe that process is maximized by partnering with the client organization on a relationship-driven, long-term basis. Bridge Partners LLC maintains the highest level of ethical standards and integrity with both clients and candidates by placing their interests first and ensuring that our methodology and process is transparent during the entire search process.

## DIVERSITY-INCLUSION

We know diversity is a business imperative. As a minority-owned business, it is an intrinsic component of what we do. It is a core value of Bridge Partners LLC and is embedded in every aspect of our culture and practice.

We provide a higher level of service and raise the degree of expectation regarding inclusion in our candidate slates. We recognize that ability is the top priority, regardless of race, gender or any other defining characteristics and our track record of successfully attracting and placing senior level diversity candidates proves our ability and commitment to building our clients' management strength and social responsibility.

*All Editorial Content is written by employees of Bridge Partners LLC, unless stated otherwise. It is the property of Bridge Partners LLC and is protected by United States and international copyright laws.*