

**EMPLOYEE**

**RESOURCE**

**GROUPS**

**that**

**DRIVE**

**BUSINESS**

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CONSULTING



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# EXECUTIVE SUMMARY



## HOW DID ...

- a Cisco product development team discover the “next big idea”?
- the Ford Motor Company develop new ways to gather feedback from consumers?
- Deloitte identify close to US\$10 million in sales opportunities?
- GE successfully lobby Congress for the survival of a US\$465 million government contract?

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**Jennifer Brown Consulting, a strategic workplace consulting firm, provides the answer in this ground-breaking analysis of the powerful organizational tool known as an Employee Resource Group.**


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“Moving the needle on diversity should begin and end with [Employee Resource Groups]. They create business value, employee engagement, talent development and customer insights.”

— Steve Larson, Team Member Resource Groups Program Manager, Wells Fargo

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## A GROUND- BREAKING ANALYSIS

Jennifer Brown Consulting (JBC), a leader in the field of workplace diversity, has spent years partnering with Fortune 500 firms seeking to increase innovation while connecting employees. The result of those partnerships is an innovative approach to the development and utilization of Employee Resource Groups, or ERGs, to drive business.

This analysis provides an in-depth look at why ERGs are critically important to businesses in a variety of industries, and how ERGs have evolved. It also includes case studies of ERG successes, and contains perceptive insight on how ERGs can continue to provide overwhelmingly positive ROI in the future.

JBC found that the business development, leadership experience, and professional networking opportunities that ERGs provide to members and leaders are often unavailable in employees' daily roles. Further, the unique internal and consumer perspectives that ERGs contribute to companies that are willing to develop and deeply engage them almost invariably result in improved business outcomes.

Critically, as a young and radically diverse Millennial generation advances in the workplace, ERGs help to address the continuing challenge of finding, developing and retaining top talent. The most advanced companies in the world know that people are their most precious asset, and that ERGs can help keep employees connected to one another and focused on business innovation.

### About the Analysis

The result of a long working relationship between Cisco and JBC, this analysis is a first-ever benchmarking effort compiling best practices and “next” practices for the remarkable business advances that can be spurred by robust ERG activity.

JBC gathered information from over 20 companies. The contributors included firms of various sizes, representing a variety of industries and multiple business types (see full report for a complete list of participating companies).

Participating companies offered detailed information about the specific ways their ERGs work, the challenges they have faced, and the

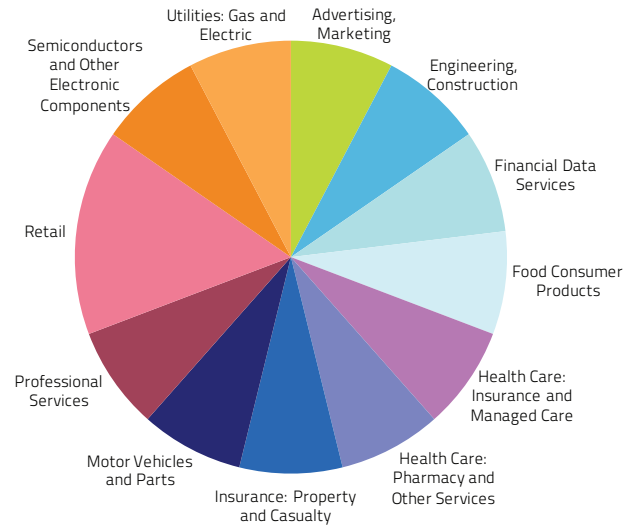
successes they have achieved to date. JBC's goal in presenting this analysis is to highlight themes and provide illuminating examples of how ERGs are changing companies for the better.

## What are ERGs?

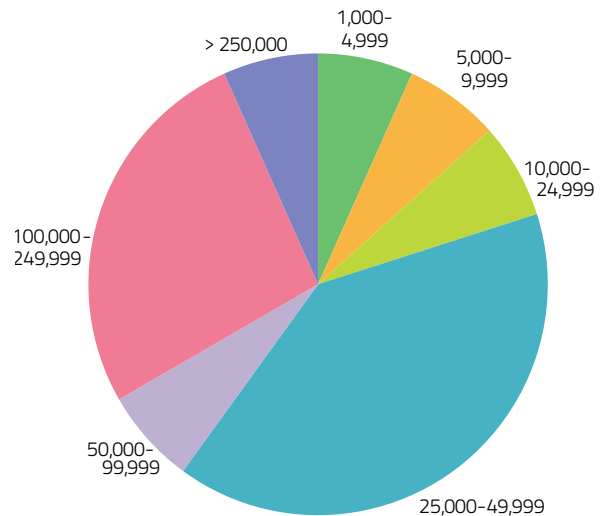
At many companies, ERGs that began with a sole focus on networking are now generating revenue with support from executive leadership. Strategic ERGs assert themselves in novel ways, and leading companies are paying attention. This groundswell not only supports talent development but also maximizes business opportunities. Well-utilized and leveraged ERGs can provide custom approaches to customers, clients, suppliers and communities.

The critical lesson is this: ERGs are drivers of recruitment, retention, leadership, and professional development, and they are improving or inventing business products and services in timely ways that repeatedly demonstrate ROI.

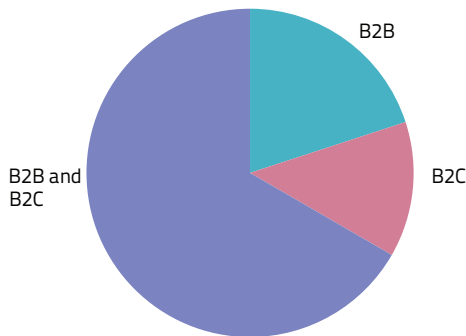
## Industry Composition



## Company Size (Number of Employees)



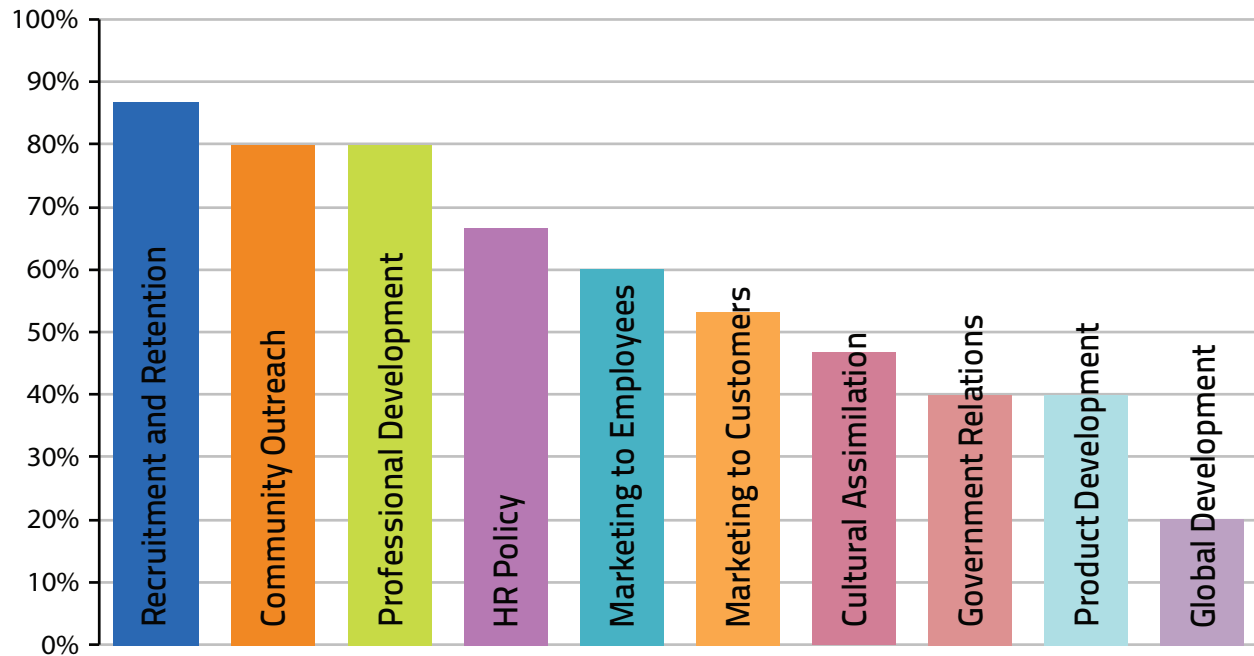
## Customer Profile (B2B vs. B2C)



“As our company is becoming more global, we are realizing that [Employee Resource Groups] can help the business grow globally and expand our customer base.”

— Terilyn Monroe, Director, Global Employee Engagement & HR Communications, Intuit

## Business Impact Areas



## Case Studies

The analysis includes a wide variety of case studies of ERGs at work — achieving employee gains and business wins in multiple contexts.

Representative samples include:

- Marketing to External Customers:** How a Cisco ERG, the Asian Affinity Network, successfully delivered a partnership with one of China's leading real estate developers
- Marketing to Employees as Customers:** How Nationwide used its ERGs to build the "Buy Nationwide" program, specifically designed to convert employees into customers
- Government Relations and Policy:** How Intuit influenced federal legislation via its "Pride Network" ERG
- Human Resources:** How Wellpoint's Associate Network for Gay and Lesbian Equality (ANGLE) ERG influenced the redesign of the company's benefit offerings
- Recruitment and Retention:** How Colgate-Palmolive used ERGs to build a global network of female leadership development
- Professional Development:** How Wells Fargo, Prudential, Cisco, and GE used ERGs to develop leadership skills in high-potential employees
- Global Development:** How Cisco's Middle East Inclusion and Diversity (MEDI) ERG facilitated discussions in Sohar, Oman about technology training that can empower youth
- Community Outreach:** How Macy's, Best Buy, and Duke Energy utilized ERGs to maximize marketing and outreach to desired market segments
- Cultural Assimilation:** How Intuit's ERGs enabled employees to conduct business with cultural awareness and sensitivity, all without having to leave the home office
- Supplier Diversity:** How Macy's used ERGs to improve sales of a specific product line

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“We have barely tapped the surface of what ERGs can do for us.”

— Corliss Fong, Vice President of Diversity Strategies, Macy’s

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## Best Practices to “Next” Practices

The goal of this analysis is to define the current position of ERGs in the business landscape and to map their potential trajectory. JBC proposes that ERGs, as a business tool, are experiencing a key transition moment, moving from best practices to increasingly encompassing “next” practices.

“Next” practices recommended in light of this analysis fall broadly into the following categories: appropriate positioning of ERGs, ERG leadership, using ERGs as a leadership development opportunity, business generation, and the use of metrics. ERG metrics are often undefined territory. This represents both a challenge and a growth opportunity. The development of systems for accurately measuring the value of ERGs enables them, as business entities, to sustain positive cycles of growth and development.

## Conclusion

In this economic climate, businesses are appreciating internal resources with renewed vigor. From this perspective, ERGs represent a valuable in-house catalyst for innovation and

enhanced business value. ERGs equal business progress.

That said, no organization or team can rest on their ERG laurels. It is incumbent upon ERGs to repeatedly make the profitability argument, and through a variety of business channels. It is the responsibility of organizational leadership to make ERG success a reality by paving the way for the embrace of new ideas and approaches.

The dawning realization, however, that Millennial, Generation Y, and Generation X employees do not consider themselves through the same ethnic and gender lenses as their predecessors, requires that ERGs, again, evolve as organizational tools that are adept at providing internal talent and external business opportunities.

Companies around the globe are now serving exceptionally diverse markets. The companies that become leaders in their fields will do so by taking full advantage of ERGs.

