



THE ORGANIZATION OF THE FUTURE

Cutting-edge ERGs are microcosms of the next - generation business model

By Jennifer Brown

Picture the most efficient, productive, and innovative organization you can imagine. What does it look like? Who works there? How are things executed? Chances are, it has little in common with the majority of today's corporations. More likely, it resembles something closer to an Employee Resource Group (ERG), a multi-disciplinary, globally dispersed, diverse yet inclusive organization in which ideas flow up and down the hierarchy and across silos.





The Motivation

Diversity efforts are one of many things that are being reexamined as we navigate the worst economic crisis in recent history, and budgets are being cut back to “what really matters”. A lack of diversity—that is, a sameness of vision and understanding—at the top of corporations led to massive blind spots, and we are now experiencing the dire effects of this, which only underscores the imperative for diverse points of view among company leaders and decision makers.



Of course, not all ERGs, also known as affinity groups, look like this—yet. They have traditionally served mainly as support systems, or social clubs, promoting solidarity and cultural sensitivity in the workplace. But forward-thinking companies are beginning to see ERGs as enablers of business opportunities that are unlikely to occur under existing organizational models. Indeed, some ERGs are already creating these opportunities through their own initiative and using their own powerful networks to invent new go-to-market strategies, new

products, and new talent pipelines overnight. The companies that are out in front of this trend will have the privilege of driving a conversation that could potentially lead to a groundbreaking business model. At a time when every ounce of employee energy, initiative, and engagement matters, no company can afford to leave this stone unturned. It’s right in their backyards.

ERGs = The First Step

While the current economic climate has created a sense of urgency, strategic ERGs began upping the ante before the market went bust. ERGs of yesteryear were mainly concerned with representation. They spent time lobbying human resources and offices of diversity to recruit minorities, organize social events, and analyze workforce statistics to ensure that an acceptable number of

minorities were recruited, retained, and promoted. Representation remains a critical component to workplace equality, but it has become a given for today’s progressive corporations – a veritable “price of entry” for companies who compete intensely for talent. Additionally, representation metrics in some cases are no longer an efficient measure of an inclusive environment, as the multi-culturalism of today’s average employee, especially younger employees, is increasingly difficult to quantify in terms of specific race and ethnicity. Indeed, many of the younger generation have no idea what their HR leader means when he or she says the word “diversity”.

A New Chapter – Business Alignment

Add in today’s budget-tightening environment, and ERGs more than ever need to make the case for how their efforts can affect the bottom line. Some have tried to do that by nudging their way into strategic business conversations. There’s no doubt that ERGs have a valuable place here—members, for example, are excellent resources for ensuring that the language, tone and visuals used in marketing materials ring true with target audiences. They bring invaluable “cultural competency” to any organization selling products and services to an increasingly diverse world. The problem is that many business units see ERGs as race- and gender-based and are unaware that they can bring dollars, in some cases significant dollars, to the table. But more recently, some innovative organizations are taking the initiative to engage their ERGs.

Push vs Pull

Rosie Cofre, co-lead of Conexion, the Hispanic ERG at Cisco, refers to this phenomenon as “push vs. pull”. This business term originates from the world of supply chain management, fitting enough for a Cisco metaphor, but it’s also widely used in

marketing, to describe the move of a product or information between two subjects. Consumers “pull” goods or information they need, while suppliers “push” them towards consumers.

While both push and pull play important dual roles in business models, ERGs have traditionally employed more push than pull, pursuing involvement in business conversations and attempting to influence their way into a seat at the table. By contrast, in ERG-speak, “pull” would refer to business heads or sales

people proactively including ERGs in their processes, therefore “pulling” them into that seat at the table. Cofre posits, “ERGs should ask themselves, ‘How do we shift the conversation so that business is pulling us in and helping us identify where we can add value, as opposed to us always advocating for our own inclusion?’”

Cisco’s emphasis on ERGs as business partners is an attitude that permeates the entire organization and affects the bottom line. Conexion was recently approached by one of

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Cisco’s U.S. account managers whose accounts include the San Jose School District, the National Hispanic University, and the Hispanic College Fund. This Cisco employee reached out to Conexion when his client expressed interest in organizing a symposium

for students to learn about careers in technology. The event, which is scheduled for 2010 and will showcase Cisco technology, will present numerous sales opportunities for the company, all of which will be facilitated by Conexion’s ability to create an event that resonates with Hispanic consumers, as well as potential future Hispanic talent.

In addition to serving as a path to future customers, this kind of collaboration presents a leadership development opportunity for employees. “By being involved in something that has the potential to directly affect the business,” says Cofre, “ERG leaders and participants feel more engaged and, ultimately, valued for the different perspectives they represent, as shareholders in driving the business.”

Inclusion & Diversity

At Cisco, says Marilyn Nagel, Director of Inclusion & Diversity, “we look at diversity as simply the collective mix of who we are as individuals, but inclusiveness is how we come together – and it’s the end game. We’ve come a long way and continue to manage the diversity piece, the part of the equation that has to do with appropriate representation of minorities. Step two of the process is inclusion, which refers to harnessing our diverse workforces for common business goals and creating a



Push vs Pull – In Action

Cisco is at the forefront of implementing this kind of “pull” strategy. The company lists Inclusion & Diversity as one of its key metrics in annual performance reviews. As a mandate from CEO John Chambers, just having minority representation on your team is no longer enough. All employees, not just managers, are evaluated based on their ability to create a culture of inclusion. Business leaders and teams are encouraged to strategically engage with Cisco’s ERGs.



comfortable environment in which new ideas can flourish.”

Most corporations have not yet begun addressing inclusion as a related effort to diversity, or are only beginning to. But it is critical that companies evolve their existing diversity practices by taking them out of the silos they have traditionally inhabited, and embedding them throughout the organization. ERGs can provide the bridge to accomplishing this important transition. Companies must be willing to look at their old ways of doing business and own up to missed opportunities. Only then will they be able



to capitalize on the fact that innovation results from the “creative abrasion” that happens when new participants are engaged, in new forums, and around real problems and opportunities.

Cisco – Women’s Action Network

A recent interactive event organized by Cisco’s Women’s Action Network (WAN) succeeded at bringing people together in this way. Branded as “Connected Women” and run in September of 2008, the live and online “event”, with a physical audience in London as well as virtual audiences in Switzerland, Amsterdam, and Paris, was developed in keeping with Cisco’s relationship-focused value proposition. In the typically male-dominated world of IT, oftentimes opportunities to forge relationships with women, both inside and outside companies, are overlooked. The Connected Women’s event—which originally debuted in France and was eventually replicated in five European countries, plus Egypt, Dubai and the US—

was designed by women for women, with an agenda balanced between women’s issues and business issues. Topics ranged from social networking to government security to global technology expansion, and were delivered by speakers from inside and outside Cisco—most of whom were women – and enabled by Cisco’s groundbreaking Telepresence technology, which creates a high-resolution, life-like, globally interactive environment. Participants were strategically invited from Cisco’s current and potential customer and partner lists, and there was a very high acceptance rate for the event among those invited.

“The goal was to connect women from around the world,” says Nikki Walker, Cisco’s Director of Inclusion & Diversity for European Markets. “We built many relationships with women in positions of power and influence who we didn’t know before.”

It’s difficult to put a number on the amount of sales that will come out of the Connected Women event, but Walker expects a “very high percentage” of converted customers and “multiple millions in revenues.” In addition, participants were left with an indelible impression of Cisco as a company that is technologically sophisticated, globally connected, and in touch with the unique thought processes and business networking needs of female IT professionals. It was also a window for non-minorities into the power of bringing together a group that shares an affinity. Men, only at the VP level and above, were invited to attend as well.

“From an Inclusion & Diversity perspective, it was a valuable opportunity for developing male leaders,” says Walker.

The power of an event like Connected Women is exponential if it were to be

extended beyond women. “This event was designed to be replicated,” says Carin Taylor, Senior Manager, Employee Networks. “When you think about replicating Connected Women in the gay, black, Latino, Middle Eastern, Asian, and Indian communities, you start seeing how this could really impact the bottom line.” The company also had the foresight to invest in creating the “Connected Women’s Island” on Second Life, where women across Cisco’s global landscape have ongoing, anytime Cisco-specific access to each other as resources, support, and training in the virtual world.

Reflecting the Customer Base

“In a global context, building a workforce



Creating a Buzz

Cisco’s San Jose chapter of WAN put a different spin on Connected Women. After virtually attending the London meeting, WAN members in San Jose decided to recreate the event in their community by focusing it on small businesses. With more than 50 percent of small businesses being female-owned, the fast-growing segment is an opportune target for Cisco, which has recently been increasing its efforts in the business-to-consumer market.

Through a partnership with Count Me In, a women’s entrepreneurial support organization, the San Jose WAN donated small business communications systems to a handful of local female business owners. For their upcoming Connected Women event, happening in March, Cisco invited 10 of those women to present case studies on how their businesses have taken off.



as diverse as our customer base is a business imperative. Global leadership requires it," says Angel Mendez, Executive Sponsor of Conexion and Senior Vice President, Customer Value Chain Management, for Cisco. “ERGs like Conexion and our Women’s Action Networks help drive the development of our employee talent base and our links to the broader community in which we do business. As a result, Cisco is a company richer and more diverse in the sense of human resources, as well as a company better positioned to do business globally.”

And it’s a critical imperative, especially now, as companies across the globe are being asked to do more with less. Connections made among

people who share an affinity tend to be fast and deep. All minority groups have a hunger for affiliation, so when that hunger is satisfied—through strategic events such as the ones being planned by Cisco’s ERGs—there is a tremendous outpouring of potentially long-term loyalty that results. Relationships among employees, clients and prospects that otherwise would take years to develop, if at all, can happen quickly when both sides feel assured by their commonalities, and by the opportunity to be heard, understood, and respected for the many ways they add value to business.

Wrapping Up

Sales and Marketing 101 tells us that fast, deep and loyal relationships are the Holy Grail. By galvanizing ERGs to participate in business conversations and develop sales strategies based on affinity, companies can shorten their sales cycles. A common argument against granting ERGs a seat at the business table is that ROI is not evident. But ERGs present a huge untapped opportunity for companies to turn existing resources into revenue. There are no crystal balls to predict how corporations will come out the other side of the current economic crisis. But the ones that are self-reflective and committed to innovation may be pleased to find a version of their future selves seated directly across the table.



Jennifer Brown Consulting
20 E 9th Street Suite 4U | New York, NY 10003
|info@jenniferbrownconsulting.com