



The Best Opportunity You've Never Heard About: ERGs and the Development of Next Generation Women Leaders

5 Insights for Women on Utilizing the Power of Employee Resource Groups for Leadership Development

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 that it resembles a highly-advanced form of an Employee Resource Group (ERG), also known as Affinity Groups or Business Resource Groups — a multi-disciplinary, globally dispersed, diverse yet inclusive organization — in which ideas flow up and down the hierarchy and across silos. And in most organizations, women's networks are the largest and longest-tenured of their networks.



We believe this represents a huge opportunity for women, and here’s why. ERGs should be considered the best resource and opportunity for the next generation of women leaders, and other diverse talent. Consider what many large-company ERGs enable women to do today, or will enable in the near future:

- Step outside their day-to-day role
- Gain exposure to broader networks that they have desperately needed and may have not had access to in the past
- Access the opportunity to learn a broader set of skills by collaborating on special projects and initiatives
- Seize leadership opportunities within their current company or organization that they may not otherwise realize in their day jobs
- Contribute to their company’s “cultural competency” in the marketplace, through participation in product development, market strategies, and sales

This is a win-win situation for employers and female employees because they will realize the value and bottom line impact of women who are empowered and connected like never before. JBC has developed the following insights to help women think most strategically about where they can gain leverage, and we encourage women to take advantage of and leverage the existence of these networks, to not only grow their careers but demonstrate the value of female talent, and markets, to organizations everywhere.

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Companies are increasingly viewing ERGs as valuable talent pipeline development mechanisms, and JBC believes this is a unique and unmatched opportunity for women to supercharge their professional development.

To provide some context, many ERGs have traditionally served as support systems, or social groups, promoting solidarity and cultural sensitivity in the workplace. Perhaps nowhere has this been so true than for professional communities of women employed in companies where they have felt marginalized and unable to access seats of power and influence. ERGs have helped to sustain women through what may not have been ideal workplace environments that did not equitably support their career advancement and professional development.

When we think of the power of women in the workplace and the marketplace, the opportunity to not only grow the next-generation of women leaders through ERGs, but also leverage these groups as a platform to reach female consumers, customers, suppliers, and talent should not be underestimated. ERGs are positioned like no other mechanism in many global companies to provide the bridge between local stakeholders and companies as they seek to enter emerging markets. Some

companies have already realized the need to cater to female consumers because women make over 85% of consumer purchases in the U.S., influence over 95% of total goods and services, and consume about \$3.7 trillion per year¹. Further, the exponential growth rate of women-owned businesses, particularly in emerging markets, will prompt companies to pay attention to the growing number of diverse suppliers who are women.

WHERE SUCCESS BEGINS: SHIFT IN ERG VALUE PROPOSITION

Fortunately for women and participants in other kinds of ERGs, forward-thinking companies are beginning to see ERGs as enablers of business opportunities and are working to evolve existing organizational models to capitalize on these opportunities. As such, the ERG value proposition has been shifting slowly, but steadily, over the last few years. ERGs have evolved from:

- providing a community or support system to a more strategic role as a customer driver
 - delivering an event-driven or social platform to serving as a conversation “convenor” or network builder
 - delivering value to isolated functions to a more broad value proposition (to sales or operational areas, for example)
 - focusing internally only to more external communities, on specific customer targets aligned with the affinity group
- Companies that are ahead of this trend will have the privilege of driving a conversation that could 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 the ERG value proposition on the table, and specifically, no company can afford to not leverage its population of engaged woman leaders who can be highly loyal and galvanized, if supported appropriately.

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Companies that figure out how to leverage women will become global powerhouses. The easiest place to start is with existing structures within an organization – Women’s Employee Resource Groups.

PULL AND PUSH STRATEGY

Business line, Diversity and Inclusion, and ERG leaders have the opportunity to create cutting-edge ERGs, which represent a microcosm of the next-generation business model utilizing a two-pronged strategy. This phenomenon is known as “pull and push”. Consumers “pull” goods or information they need, while suppliers

¹ Source: Competitive Edge Magazine and EPM’s Marketing to Women

“push” goods or information towards consumers. While both pull and push play important roles in business models, ERGs have traditionally employed more push than pull when pursuing involvement in business conversations. However, some companies have been at the forefront of implementing both pull and push strategies to maximize the return on investment of these network groups. Women can take advantage of both dynamics.

PULL STRATEGY

In ERG-speak, “pull” would refer to business lines or sales people proactively including ERGs and “pulling” them into their processes. In the ideal business scenario, ERGs are pulled into the conversations to offer customer insights and value. Therefore, the value proposition for ERG members shifts as they become more directly involved in product development and sales. This not only broadens their internal network, but also creates exposure to the external customer base. Leading companies are actually beginning to measure managers and leaders on their ability to integrate diversity into all aspects of their business, such as Marketing, Product Development, R&D, Sales, Operations, etc. This accountability will drive both push and pull activities, as line leaders are seeking to demonstrate impact towards their diversity and inclusion metrics.

ERGs, and the populations they represent, bring invaluable “cultural competency” to organizations selling products and services in an increasingly diverse world. Women know their internal and external constituencies well, in a way that even the best internal marketing agency can’t. In order to successfully implement a pull strategy, business units need to see ERGs as potential contributors and strategic partners for revenue generation and not just as networking groups for races, genders, or affinities. In the last few years, JBC has been working with business lines to help them successfully engage their ERGs, thereby altering the ERG value proposition for the entire organization.

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Women need to articulate the value they bring to the table. They should conduct their own market research, collect and reference data points, identify and proactively initiate meetings to present new ideas and pursue opportunities for collaboration to create the “pull”.

PUSH STRATEGY

With an ERG “push” strategy, ERG members are actively engaged in “pushing” goods or information towards consumers and internal stakeholders. In order to be most effective in using network groups for these purposes, it’s necessary to help them understand their potential as ERG corporate leaders and brand ambassadors.

A few of JBC’s innovative clients have already succeeded at showcasing and bringing together women in a new way within the workplace. For example, members of a Women’s ERG at a global leading technology company, operating over 30 chapters in 20+ countries, “pushed” their way forward and established credibility with consumer and customer markets. In the typically male-dominated world of information technology, opportunities to forge relationships with women, both inside and outside companies, were sometimes overlooked. Therefore, Employee Network members at this technology company designed an event by women for women that provided a forum for participants to build deep relationships with external networks, business owners, and executives. The complex design of these client-focused events included live, interactive discussions, live delegate polling, video-on-demand, social media, and facilitation across varied time zones, presenters, and technologies. The by-product of these events has been revenue generation, which has demonstrated the successful utilization of ERGs as a platform for a discrete and subtle push strategy.

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Should tap into ERGs and utilize these powerful networks to invent new go-to-market strategies, new products, and new talent pipelines that align with the business strategy.

This type of cutting-edge ERG strategic thinking has great potential to result in a win-win situation for the company and for network participants. The company wins because ERGs have the ability to create and support new business opportunities. Even further, ERG leaders, members, and event attendees will feel more engaged and connected to the company. Meanwhile, Network members benefit because these business initiatives require an intense level of project management, collaboration, and leadership which all present important executive development opportunities.

These opportunities have been few and far between traditionally in organizational environments for women and non-mainstream talent, mainly due to their organizational levels, which have tended to be more junior and mid-level, versus senior. ERGs have the power to shift this dynamic, creating energy from the middle of the organization to drive up, down, and across the hierarchy and provide critical diversity of thought and “crowdsourced” innovation.

ERG leaders are also taking training and professional development to a new level. ERGs can utilize a push strategy by designing and sponsoring women-specific leadership development programs. For example, ERGs can partner with corporate learning teams to create learning opportunities specifically for women, especially in organizations where these opportunities don’t already exist. ERG members can “push” their value by offering to serve as subject matter experts and/or as an execution mechanism to help develop high-potential female leaders within the

company. Members could even build programs and market them internally to different functional leaders. This is an innovative way for ERGs to fill any critical gaps that exist within organizational learning and development for employee populations across a company.

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Through partnering with different functional areas to enhance the area’s cultural competency, women can build critical networks, subject matter expertise, and leadership experience that extend beyond the learning derived from their everyday role.

FUTURE INSIGHTS

It is critical that companies begin to evolve their existing diversity and inclusion practices further by taking them out of the silos they have traditionally inhabited, and embedding them throughout the organization—in places like ERGs. JBC believes that companies have come a long way and continue to manage diversity, which 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 comfortable environment in which new ideas and opportunities can flourish. ERGs and their participants can actually provide the bridge to accomplishing this important transition, and female talent plays a central role.



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About Jennifer Brown Consulting

Jennifer Brown Consulting (JBC) is in the business of transforming human potential and aligning individual performance to drive organizational results. JBC specializes in four key Practice Areas: Strategic Consulting, Training, Coaching, and Research & Events. We transform businesses by harnessing leadership, fostering innovation, and leveraging diversity through our offerings. We are dedicated to meeting clients’ needs and delivering a solid ROI through results-oriented solutions. JBC’s expert **advisors, consultants, trainers, coaches, and facilitators** turn talent networks into business pipelines and innovation engines, as well as help individuals at all levels transform their environments to appeal to employees, clients, and customers. JBC’s seasoned practitioners possess years of experience in Diversity & Inclusion, Leadership, and Innovation and are hand-picked for each client engagement.