

# Nashville Business Journal

## Guest Commentary

# Diversity delivers promise and profits

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by Peter Woolfolk

As the composition of the American population continues to evolve, leading businesses in Tennessee and the nation are reaping the benefits of an established aggressive, sincere and operational diversity strategy. Diversity in the workplace goes far beyond the basic numbers of women, seniors, disabled and minorities on staff. Forward-thinking managers recognize the multiple benefits this inclusiveness brings to company advancement.

Tennessee is on board. Gov. Phil Bredesen has established the Governor's Office of Diversity Business Enterprise, which reaches out to woman-owned, veteran-owned, small and other disadvantaged businesses to become certified to do business with the state. This process begins to level the playing field for those firms seeking to provide products and services for a slice of Tennessee's annual purchasing dollars.

A look at some numbers will indicate why a diversity strategy is important. This year, one in three Americans are either Hispanic, Asian-Pacific American or African-American. By 2050, estimates are that these three groups alone will constitute 55 percent of the U.S. population. Can you say, "New workers and new customers?"

The spending power of these groups is impressive: In 2003, African-Americans contributed \$688 billion to the economy, Hispanics spent \$653 billion and Asian Americans \$344 billion. The combined buying power of people of color is expected to grow to \$2 trillion by 2007.

If diversity is to be taken seriously and implemented effectively, leadership must begin at the top and be supported by policies, budgets and accountability. In 2003, PepsiCo. Inc. said about \$250 million of its revenue growth came from new products inspired by creative input from its diverse staff. The company believes that firms solving the diversity challenge will have a competitive advantage.

JPMorgan Chase & Co., which had 2004 sales of \$44.4 billion, questioned its ability to effectively service people with disabilities. In 2003, it launched a business unit that

upgraded its ATM network to include talking machines. It also recruited people with disabilities. The company has attracted the attention of customers with disabilities, their families and caregivers.

Unfortunately, mature workers are seldom part of the diversity discussion. This is a mistake, since some industry sectors already are experiencing a shrinkage of skilled workers, and competition for skilled talent will soon become fierce in many other areas of the economy. Rethinking how to recruit, train and retrain older workers has become a priority.

Locally, Nashville Electric Service and Fleetguard Inc. are among those seriously engaged in inclusiveness through both personnel and procurement policies and practices.

A tangential benefit to many inclusive firms is the public relations boost from listings in such national publications as Forbes, Hispanic, Working Mother, Diversity and others. Being recognized in this way certainly facilitates recruiting and procurement efforts.

Thankfully, Nashville is home to many enlightened executives and leaders who know the difference between being an equal-opportunity employer and being a diverse, inclusive company. This city continues to move forward.

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