Wondering how diversity and inclusion apply to chambers?

Visit the Cincinnati USA Regional Chamber and you’ll meet James Kelly, a part-time receptionist who has a disability. Or watch the welcome video shown at the 2017 Annual Dinner that was close-captioned for the deaf and hard of hearing. Or participate in the employee book group where topics such as gay marriage and racial inequities have taken center stage.

A casual observer may chalk up these occurrences to coincidence, but chamber employees and members of the business community know better. They all happened because the Cincinnati chamber is intentional about incorporating inclusion in all aspects of its operations.

To be sure, the Cincinnati USA Regional Chamber is one of many with diversity and inclusion initiatives that are making a difference in their communities. But thanks to a bold vision and formal inclusion plan, the Cincinnati chamber has set out to model inclusion not only for its members, but also for its peers in the chamber of commerce world.

A LITTLE HISTORY

For nearly 15 years, the regional chamber of commerce in Cincinnati has been hailed as a leader in diversity initiatives, starting with the establishment of a minority business accelerator in 2003. The MBA’s success has spawned similar efforts at other chambers and helped raise awareness about how diversity initiatives can make a difference — and the vital role chambers can play in facilitating those efforts.

Starting in 2010, the chamber produced Regional Indicators Reports benchmarking its region against 11 others, including Denver and Pittsburgh. A 2012 report’s focus on diversity “really got people’s attention,” says Mary Stagaman, senior inclusion advisor at the Cincinnati USA Regional Chamber.

That’s because the region ranked second to last in several key categories used to measure diversity and inclusion, including racial and ethnic diversity and the number of female-owned businesses. The data was supplemented with input from chief diversity officers and focus groups and results of an online survey.

The report, “Diverse by Design: Meeting the Talent Challenge in a Global Economy,” was unveiled at an annual Diversity Leadership Symposium, a partnership between the regional chamber and Fifth Third Bank. The report, says Stagaman, helped galvanize community leaders around the idea that to be competitive, the region would need to grow its population strategically so it could paint a new picture.

“It would not happen organically,” she says, noting that Cincinnati shares that challenge with many Midwestern cities. “We needed to be intentional about change.” Diverse by Design became a call to action. “We often say ‘It’s the smart thing to do,’” she says, “but we acknowledge that it’s also the right thing to do.”

The chamber’s directive reads, “we will model inclusion in everything we do,” with inclusion defined as “an intentional process through which differences are harnessed to create value.”

The chamber positioned itself as a convener, working with more than 100 organizations, numerous volunteers, and work groups to address the opportunities and challenges identified. “We fundamentally believe that our long-term competitiveness and sustainability will be built on our ability to attract, develop and retain a workforce that looks like where the country is going, not where it’s been,” Stagaman says.

One of the outgrowths of these efforts was CONNECT ERG, an initiative that connects members of employee resource groups throughout the region. For example, a supermarket chain’s chief diversity officer mentored an insurance company in the initial stages of starting affinity groups. The chamber organizes annual meetings to discuss best practices for ERGs, and, in 2017, launched an ERG Regional Leaders Council.

The Cincinnati USA Regional Chamber’s diversity benchmarking report, first produced in 2012, helped community leaders understand that to be a competitive city, they would need to work strategically to grow their population, and today helps them continue on a path of diversity and inclusion. Download the Diverse by Design report at www.ACCE.org/DBD.
Despite the chamber’s emphasis on helping members understand how the region — and individual companies — could benefit from diversity initiatives, the chamber had “not really turned a spotlight on itself,” says Stagaman. “Were we walking the walk?”

That changed after Jill Meyer was hired as president and CEO in 2015. An attorney and member of the chamber’s board, Meyer says she was keenly aware of the need to focus on gap areas for businesses and one of those was “talent, talent, talent.”

With encouragement from the board and business leaders, Meyer realized that there was a “big opportunity” in helping companies “navigate the transition” from having a diversity program to learning how to be inclusive.

As a result, when the chamber rolled out its 2016 strategic plan, an inclusion plan was its foundation. Its directive reads, “We will model inclusion in everything we do,” with inclusion defined as “an intentional process through which differences are harnessed to create value.”

The goal was to “exemplify inclusion through people, programs, practices, policy and partnerships.” A succinct statement to be sure, but how to accomplish it?

Part of the learning curve involved understanding that inclusivity was part of everyone’s job. “People would ask, ‘Who’s on Mary’s team?’” recalls Meyer, referring to Mary Stagaman. “I said, ‘We’re all on her team. It’s not her job to do this. It’s your job.”

To that end, every chamber employee was required to set a performance goal in 2017 related to the inclusion plan. That goal had to be achievable within the year and measurable.
Midyear, Stagaman met with each employee individually to measure progress on their goals.

Those goals are making an impact. The marketing team set out to increase minority spend by a certain amount. And they did. Another employee was charged with attaining a 28 percent multicultural participation rate in the chamber’s flagship leadership development program. (She did.) Someone else developed a tool to help the selection committee review demographic data of those accepted into the program. And the talent team is focused on recruiting a more diverse workforce.

“We want to model the picture of the community we want to create,” says Stagaman, “not simply just reflect where we are today.”

In addition to individual goals, every employee must complete three inclusion learning opportunities. This could be the book club, Coffee and Conversation (one featured a leader of the local Black Lives Matter movement) or the Diversity Leadership Symposium. Employees can even get credit for watching the film “Hidden Figures.”

Stagaman admits that the cultural shift is “harder for some people than others.” At the same time, she says, “I am seeing incredible growth, understanding and movement toward why it matters.”

“People can bring their whole selves to work.” After the discussion about Black Lives Matter, one employee divulged that they had never worked somewhere where they felt comfortable discussing what was weighing on their mind, much less process it.

That’s important, says Meyer, because it lets people “sit down and do their jobs instead of stewing.” She says she is seeing strong bonds form between employees. “You get to know people on a different level if you are willing to put your vulnerabilities out there,” she says.
WHAT IS THE GOAL OF THE ACCELERATOR?
Our specific focus is on the African-American and Hispanic business communities. This focus is driven by data showing that those populations remain the two most economically disadvantaged populations when looking at businesses of scale, wealth gaps and economic disparity data. We help to bring parity to those two populations through entrepreneurship.

WHEN WAS THE ACCELERATOR FOUNDED?
It was founded in 2003 to assist African-American businesses and was one of the country’s first minority business accelerators. It was born from civil unrest following the killing of an unarmed black teenager by a white police officer. It was very specifically intended to be housed within the chamber. Typically, accelerators have been stand-alone nonprofit organizations.

HOW CAN BUSINESS ACCELERATORS HELP THE OVER-ALL BUSINESS CLIMATE IN AN AREA?
Job creation is one of the primary drivers. It’s well-documented that minority firms tend to hire more minorities. National data shows that, on average, at minority companies, three or four out of every six workers are minorities versus one out of six for non-minority firms. The challenge is that the great majority of minority firms are skewed on a smaller scale. But if you could take that same three to four out of six workers to firms with $10, $20 or $50 million in revenue, think of the impact on job creation.

WHAT CRITERIA ARE NEEDED FOR A BUSINESS TO BECOME PART OF THE ACCELERATOR AS A PORTFOLIO COMPANY?
A business has to have a B2B platform with minimum annual sustainable revenue of $1 million or greater, and the entrepreneur or business owner needs to be interested in accelerated growth. [Businesses must also have their headquarters or a “significant presence” in the Cincinnati USA region and be certified as a minority business enterprise by a third-party agency.]

HOW CAN AN ACCELERATOR FACILITATE GROWTH FOR PORTFOLIO COMPANIES?
A very key component is supply-chain related—getting corporations to buy products and services from local minority firms. But we are also assisting firms in doing business in broader geographies, whether that’s across state lines or via exporting.

WHAT IMPACT HAS THE ACCELERATOR HAD?
We have a portfolio where average annual sales are $30 million. That’s just not the norm for minority businesses. One of the things I am most proud of is that the portfolio companies have $1 billion in aggregate annual sales and 3,500 jobs. We want to double those numbers in five years.

While aggressive, it’s doable because our companies are now of a certain size and scale that it’s now possible to attract equity capital. [The scale] allows for product expansion and growth through acquisition, which weren’t options years ago. Most historically minority business efforts have been over-dependent on debt capital, but equity capital is a different animal.

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HOW IS THE MBA FUNDED?
In addition to the support provided by the chamber, a significant portion of funding comes from corporate donations and sponsorships, as well as programmatic funding. We also receive grants from foundations—both regional and national. We are in the throes of rolling out a new model. If a portfolio company is looking to secure funding, and we assist them in preparation and readiness and facilitate introductions to capital providers, up to 3 percent [of the funded amount] will come back to us.

Meet Darrin Redus, the Cincinnati USA Regional Chamber’s vice president in charge of the Minority Business Accelerator.

Q&A WITH DARRIN REDUS

Darrin Redus joined the chamber in January 2016 from MainStreet Inclusion Advisors, a consulting firm he founded specializing in preparing and connecting ethnically diverse entrepreneurs with capital sources. In May 2017, Redus provided testimony to the U.S. House Small Business Committee on the role of MBAs.