



# Chicago United

Closing the gap between race and business.®

A SPECIAL REPORT ON DIVERSITY AND INCLUSION IN BUSINESS

March 2009

## Keep the Faith, Reap the Rewards

For leading companies, economy doesn't derail diversity and inclusion practices

Gloria Castillo, President, Chicago United



**AS THE NEW OBAMA ADMINISTRATION** and Congress institute balanced, effective ways to stimulate the economy in the face of alarmingly high unemployment rates and low corporate earnings, advocates are paying close attention to business trends. The prevailing question, will diversity and inclusion at our nation's corporations begin to stall or even backslide?

Are corporations decelerating their efforts to grow business with minority-owned enterprises?

Despite this change, challenges remain. To quote a December 15, 2008, press release by Heidrick & Struggles International, Inc. and USC's Marshall School of Business regarding their survey of majority corporate directors, "More than half of directors (55 percent) at U.S. publicly-traded companies said they would not like to see their boards become more diverse by increasing minority representation..." This same survey also found "...while there is little commitment to increasing representation on the board, many directors (82 percent) recognize that having a diverse board can be beneficial to the company because diversity contributes to a broader range of decision options for consideration."

This resistance is evidenced with the findings of Chicago United's own 2008 Corporate Diversity Profile Survey which measures actual racial diversity specifically

**People of color will represent the majority in about 40 years. Therefore, workforces that are truly diverse and unashamedly inclusive will yield more intelligent and innovative solutions to business challenges.**

We need look no further than the fledgling administration of President Obama to understand where public, i.e. consumer and consequently business, opinion is headed. The president was carried into office, in large part, by voters ready to accept diversity at the highest level of leadership. His ascent was also fueled by young people with new sets of desires and expectations when it comes to their government. Rest assured that their voices, and the spending power they will wield for years to come, will be respected by corporate America.

in business and on corporate boards. This survey found that if the growth in minority representation in corporate

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## Chicago United's Business Leaders of Color in the White House

Chicago United's approach to identifying and developing leaders is proven. Four women previously identified in the *Business Leaders of Color* publications are now answering the call of public service at the highest level of our nation. Chicago United examines leaders and their traits in order to identify qualified business executives of color who can impact industry as board directors of Fortune 1000 companies. Through public nominations, Chicago United learns of individuals in the business community who are contributing to the cultural, civic and educational life of the Chicago region. This effort defines a leader as someone who has achieved professional success through a track record of balanced

decision making; experience that reflects flexibility and an ability to transcend narrow experiences; and a respect for diverse points of view and varied ways to approach issues. These individuals are profiled in the bi-annual *Business Leader of Color* publications and showcased as a small sample of the diverse talent in the Chicago region.

First Lady Michelle Obama, senior White House advisor Valerie Jarrett, White House Social Secretary Desiree Rogers and White House Director of Public Liaison, Christina Tchen are former Business Leaders of Color who helped shape and inspire people inside and outside Chicago's business community.



Michelle Obama



Valerie Jarrett



Desiree Rogers



Christina Tchen

Their personal achievements and varied skills uniquely prepared them for the roles they have in helping to lead the nation. Chicago United is very proud to say...we saw them coming.

# Five Forward Emerges as Priority During Economic Downturn

Even in the midst of challenging economic conditions, 20 corporations have committed to Chicago United's *Five Forward* Initiative launched last May. The initiative has had strong support from top local, regional and national firms that recognize the value that working with Minority Business Enterprises (MBEs) can bring to enhance the economic vitality of the metropolitan Chicago.

*Five Forward* enlists the commitment of CEOs of mid- to large-sized corporations in the Chicago area to establish or expand business relationships with five local MBEs. Empirical evidence indicates that MBEs disproportionately tend to locate within and hire from areas with higher percentages of minority residents. The enhanced flow of money to the region improves the property tax base, increases employment and earnings, ignites business activity and creates the multiplier effects of local firms and residents spending dollars with other local firms. This strategic initiative is designed to build a stronger regional economy by building minority businesses of scale.

Despite the current economic trends, *Five Forward* enterprises continue to demonstrate their intent to form successful partnerships. While some committed companies are still in the process of selecting the MBE's with whom they will work, some others have gone the extra mile to make sure all firms benefit from this initiative. In order to carefully select five firms with whom they will expand or launch business, each company is

customizing its outreach approach to help ensure enduring relationships.

In the case of the University of Chicago Medical Center (UCMC), its efforts included a symposium with more than 35 MBEs from a variety of sectors including legal, human resources, finance and marketing. Invited minority businesses were able to illustrate their ability to add value and innovative solutions to the Medical Center's supply chain needs.

"Our president and senior leadership from the various functional areas were present at a reception we had preceding the MBE's presentations," said James Williams, business diversity manager for the University of Chicago Medical Center. "It gave MBEs and end-users the opportunity to engage with each other and start building relationships before the symposium. We wanted to provide participating MBE's with significant exposure and the opportunity to gain new contacts at this meeting.

"As a result, we engaged five new minority firms, but we are looking into an expanded endeavor to hire additional firms," Williams said. "*Five Forward* will help us to fully maximize UCMC's mission to create mutually beneficial diverse business partnerships."

Similarly, SDI (System Development Integration) has established relationships with seven MBEs in the areas of information technology and management consulting to jointly pursue contracting opportunities in the public and the private sectors.

Participant MBEs shared their credentials with SDI's executive management and the firm convened a networking reception to give MBEs the opportunity to discuss among themselves best ways to spearhead this initiative.

"Having been an MBE for 11 years ourselves, we understand the need to identify meaningful partnering opportunities that build capacity and demonstrate [the MBE's] ability to deliver," said Dawn Nash Pfeiffer, VP of Marketing and Diversity Initiatives. "We view *Five Forward* as a continuation of our commitment to diversity and as an excellent opportunity to educate clients on the quality services that MBEs have to offer."

Seven of the 20 enterprises that have already selected their respective MBE firms to participate in the *Five Forward* Initiative are in the process of setting annual budgets, scope of work, and mutual goals, according to Salvador Bayron, Chicago United's *Five Forward* project manager. The remaining 13 committed firms are in the process of selecting their five MBEs.

Chicago United assists participating corporations by identifying potential MBE partners and providing access to its MBE-Source, a web-based resource database with information on more than 100 well-established minority firms located in the area.

For more information on *Five Forward*, interested companies should contact Salvador Bayron at 312-977-3070, or sbayron@chicago-united.org.

## Chicago United's *Five Forward* Committed Companies

Advocate Health Care  
Aon Corporation  
Ariel Investments  
Bank of America  
Baxter International Inc.  
Blue Cross Blue Shield of Illinois

City Colleges of Chicago  
ComEd, An Exelon Company  
Ernst and Young LLP  
Harris  
Jewel-Osco  
Kraft Foods

Loop Capital  
Macy's Inc.  
Merrill Lynch  
Mesirow Financial  
McDonald's Corporation  
USA LLC

Rush University Medical Center  
SD-I (System Development  
Integration, LLC)  
The University of Chicago  
Medical Center

# Minority Businesses Challenge Chicago Corporations

Whether your organization operates in the banking industry, the healthcare industry or the consumer sector, we all share one thing in common; we all desire a more inclusive regional economy that will enable our city to become more competitive during difficult and prosperous economic climates.

The Chicago United *Five Forward* Initiative embraces this goal. It solidifies key business relationships and creates the opportunity to build stronger minority businesses of scale. In doing so, it allows these businesses to invest more in people and communities. Given projections that the spending power of people of color in the United States will reach about \$3 trillion by 2012, this strategic initiative is poised to help businesses and communities in the region reap huge benefits.

As MBE members of Chicago United, we've already benefited by having the opportunity to address business and social issues with top executives of major corporations and work with them as partners. We firmly believe that *Five Forward* opens the doors to new business partnerships or expanded relationships in ways that may otherwise take years to develop. Developing these

business partnerships will be an ongoing process that will foster trust, mutual respect and mutual dependency. Without the vision and commitment of our large enterprise counterparts, new revenue opportunities won't become a profitable reality. Our companies share the same mission and goal of making diversity and inclusion a strategic business tool for real growth in Chicago.

We want to extend our sincere appreciation and congratulations to those companies committed to *Five Forward*, many of whom have already identified and selected the MBEs with whom they will begin or expand business relationships.

We now encourage those corporations that have not joined the program to take action: Join Chicago United's *Five Forward* and make the choice to partner with local MBEs and help fuel our region's economy. We know firsthand that ensuring the sustainability of minority businesses ensures stability and a competitive edge for our region. Chicago companies must take the lead in ensuring that our city stands out as a reliable market to conduct business and the *Five Forward* initiative is a great vehicle for them to do so.

## Chicago United

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### Chicago United Members:

Abbott  
Advocate Health Care  
Aetna, Inc.  
Aon Corporation  
A. Pomerantz & Co.  
Ariel Investments  
Azteca Foods, Inc.  
Bank of America  
Baxter International Inc.  
Beaman Incorporated  
Blue Cross and Blue Shield of Illinois  
Bonaparte Corporation  
BP America Inc.  
Cabrera Capital Markets, LLC  
Cardenas Marketing Networks, Inc.  
Carrington & Carrington, Ltd.  
The Chicago Community Trust  
Chicago State University  
Chicago Symphony Orchestra  
Chicago Tribune Company  
Chicago Urban League  
CitiBank  
City Colleges of Chicago  
Columbia College Chicago  
ComEd, An Exelon Company  
Crain's Chicago Business  
Creative Printing Services  
Endow, Inc.  
Environmental Design International, Inc.  
Ernst & Young LLP  
Federal Reserve Bank of Chicago  
Gonzalez, Saggio & Harlan, LLP  
Harris  
Hewitt Associates, LLC  
Hill, Taylor LLC  
Hispanic Housing Development Corporation  
Holland Capital Management  
The Hollins Group  
Jewel-Osco  
Johnson, Blumberg & Associates, LLC  
Keene Advisory Group LLC  
Laner Muchin Dombrow Becker Levin & Tominberg  
LifeSource  
Loop Capital  
Macy's Inc.  
McDonald's Corporation USA LLC  
Merrill Lynch  
Mesirov Financial  
National City Bank Illinois  
Neal & Leroy, LLC  
Nicor  
NJW Companies  
Northern Trust  
Northwestern Memorial Hospital  
Odell Hicks & Company  
Prado & Renteria CPAs Prof. Corp.  
PricewaterhouseCoopers LLP  
Primera Engineers, Ltd.  
Pugh, Jones, Johnson & Quandt, P.C.  
Ralph G. Moore & Associates (RGMA)  
Rush University Medical Center  
Sanchez Daniels & Hoffman LLP  
Sara Lee Corporation  
SD-I (System Development.Integration, LLC)  
Seaway Bank and Trust Company  
ShoreBank Corporation  
Sidley Austin LLP  
Smith Whiley & Company  
Spencer Stuart  
Synch-Solutions Inc.  
TeamWerks  
United Airlines  
United Building Maintenance, Inc.  
The University of Chicago Medical Center  
University of Illinois at Chicago  
USG Corporation  
Washington, Pittman & McKeever, LLC  
Weber Shandwick WorldWide  
Wedgeworth Business Communications

## Chicago United's MBE Member Companies

A. Pomerantz & Co.	Loop Capital
Ariel Investments	Neal & Leroy, LLC
Azteca Foods, Inc.	NJW Companies
Beaman Incorporated	Odell Hicks & Company
Bonaparte Corporation	Prado & Renteria CPAs Prof. Corp.
Cabrera Capital Markets, LLC	Primera Engineers, Ltd.
Cardenas Marketing Networks Inc.	Pugh, Jones, Johnson & Quandt, P.C.
Carrington & Carrington, Ltd.	Ralph G. Moore & Associates (RGMA)
Creative Printing Service, Inc.	Sanchez Daniels & Hoffman LLP
Endow, Inc.	SD-I (System Development Integration, LLC)
Environmental Design International, Inc.	Seaway Bank & Trust Company
Gonzalez, Saggio & Harlan LLP	Smith Whiley & Company
Hill, Taylor LLC.	Synch-Solutions, Inc.
Holland Capital Management	TeamWerks
The Hollins Group	United Building Maintenance, Inc.
Johnson, Blumberg & Associates, LLC.	Washington, Pittman & McKeever, LLC
Keene Advisory Group LLC.	Wedgeworth Business Communications, Inc.

# Chicago United Celebrated Milestone Year in 2008

The year 2008 was a significant year for many, including Chicago United. On December 4, Chicago United celebrated 40 years of progressive work towards developing multiracial leaders in corporate governance and executive level management, and cultivating inclusive business partnerships. More than 1,000 leaders of Chicago's business community attended the **5th Annual Changing Color of Leadership Conference and 40th Anniversary Gala** to celebrate Chicago United's efforts to spearhead diversity initiatives that will transform the city.

Chicago United celebrated its milestone year under the theme *"Torchbearers of the Dream: Honoring the Past, Shaping the Future."* During the much anticipated 40th Anniversary Gala, the organization honored Indra K. Nooyi, chairman and chief executive officer of PepsiCo, as the recipient of the Chicago United 2008 Bridge Award. The 2008 Bridge Award honors exemplary leadership in support of advancing diversity and inclusion at the board of directors' level.

Chicago United extends most sincere thanks to those who continue to support its mission to close the gap between race and business, especially in the midst of economic straits. Such unwavering support of the organization's work keeps Chicago, and the entire region, a most desirable place to live and do business.



*Diversity Leadership Luncheon speakers left to right: Ravi Baichwal, Weekend Anchor and Reporter, ABC7 News; Kevin B. Brookins, Secretary, Chicago United's Board of Directors and Vice President Distribution System Operations, ComEd, the events Presenting Sponsor; George Herrera, President and CEO, Herrera-Christina Group Ltd.; Gloria Castillo, President, Chicago United; and Warren Smith, Director, Midwest Human Resources Leader, Ernst & Young LLP*



Chicago United's Pre-Gala Reception



*Left to right: Raymond F. McCaskey, Director, Health Care Service Corporation and Former Chicago United Board Chairman; Gloria Castillo, President, Chicago United; and James C. Tyree, Chairman & Chief Executive Officer, Mesirow Financial and Chairman, Chicago United Five Forward Initiative*



*Left to right: Kevin Connelly, Chairman, Spencer Stuart and Chairman, Chicago United's 2008 Corporate Diversity Profile; Jimmy Lee, Former Executive Director, The White House Initiative on Asian Americans and Pacific Islanders; and Michael W. Lewis, Immediate Past Chair, Chicago United and Executive Vice President, Harris Bank, a Chicago United 40th Anniversary Co-Chair Sponsor*



*Left to right: Jim Skogsbergh, President and CEO, Advocate Health Care and Chicago United Chairman, Gloria Castillo, President, Chicago United; Ron Parker, Senior Vice President of Human Resources and Chief Global Diversity & Inclusion Officer, PepsiCo accepting the 2008 National Bridge Award on behalf of PepsiCo Chairman and CEO Indra K. Nooyi; and Rev. Dr. Leon D. Finney, Jr., President & Chief Executive Officer, Woodlawn Community Development Corporation (WCDC)*

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leadership ranks were to maintain its 2000-2004 pace, when it increased by 1.1 annually, it will take 89 years for minorities to achieve equal representation in executive/managerial ranks compared to workforce representation.

Fortunately, the progress that has been made hasn't halted with those companies who understand the value that diversity and inclusion brings.

At the national level, *DiversityInc* magazine's editors report that in a recent survey of the 2008 *DiversityInc* Top 50 Companies for Diversity, more than 80 percent of those going through major cutbacks said diversity budgets were increasing or remaining stable. These are all companies with at least 1,000 employees, and most are Fortune 500 companies. At the local level, our own *Five Forward* program has exceeded our expectations and momentum only grows. As you'll read in our report on *Five Forward* that accompanies this message, relationships forged through *Five Forward* are on track to yield minority enterprises of scale. I salute those companies that have actively endorsed Chicago United's blueprint for regional economic growth. I'm more confident than ever that they will be even more competitive in their industries because of their investment in this blueprint.

The sour economy doesn't alter the reality that the world is changing. People of color will represent the majority in about 40 years. Therefore, workforces that are truly diverse and unashamedly inclusive at all levels of business will yield more intelligent and innovative solutions to business challenges. Business partnerships that are highly responsive to diverse consumers will be more profitable for all involved parties. When we emerge from this economic downturn, stronger and smarter as consumers and companies, that changing world will be ready to embrace and reward those enterprises that are ever-faithful to their diversity and inclusion commitments.