



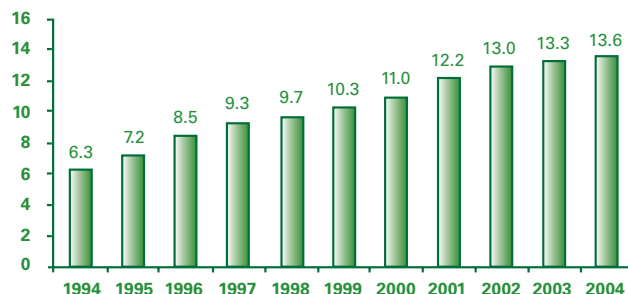
BUILDING A DIVERSE AND HIGH-QUALITY Entrepreneurial Sales Team

by Miriam Muléy

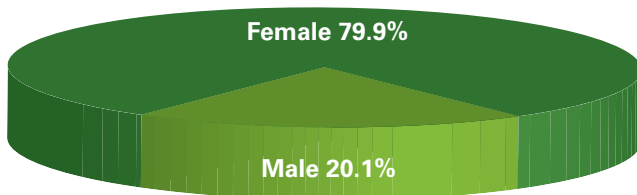
It has never been more critical than it is today for the direct selling industry to evaluate its current and future talent pool. Projected changes in the demographic and diversity profile of the United States and high-churn, high-turnover rates and the cost of training have generated a need for direct selling companies to tap into a diverse entrepreneurial talent pool for maximum sales results. Today's gateway to ongoing sales growth in an increasingly diverse and competitive marketplace is developing a sales team of knowledgeable and experienced individuals capable of creating an atmosphere of personal contact and trust—the high touch—with the \$2 billion and growing population of Latino, African-American and Asian consumers. With 32 percent of the U.S. currently represented by multicultural consumers—a number expected to grow to 50 percent by the year 2050—leaders within the direct selling industry have the opportunity to ensure that their sales force mirrors the population of diverse markets. By doing so, companies will position themselves to access a greater percentage of the increasingly diverse buying public. Advertisers have long recognized that the appeal of a commercial, whether broadcast, print or Web, can be increased with the use of talent, music, lifestyle situations, language and context that are relevant to diverse audiences. Mass general-market advertising has limited effectiveness in persuading diverse audiences; its impact is

dramatically increased when complemented with targeted advertising that is infused with cultural relevance. The same dynamic is true in relation to person-to-person selling. The more an independent sales representative looks like, speaks like, and has similar cultural experiences and product needs as the intended target consumer, the higher the chance of converting that target into a closed sale. Home & Family Care (cookware, appliances), Personal Care (cosmetics, skin care, fragrance, jewelry) and Wellness (weight-loss products, vitamins) represent the lion's share of direct selling volume (76 percent of U.S. 2004 direct sales volume), which is driven in part by a disproportionate amount of diverse

DIRECT SELLERS
Millions of People



Gender of Direct Sellers



consumer spending (See April 2006 issue of *Direct Selling News*, "Diversity & Direct Selling: How Much Money Are You Leaving on the Table?"). For maximum sales, direct selling companies must understand the unique product needs of diverse consumers. This understanding comes most naturally when the independent sales force is also diverse.

The Facts

According to 2004 estimates by the Direct Selling Association, there are 13.6 million individuals in the United States who are involved in sales within the direct selling industry. This number has more than doubled since 1994 when the number was only 6.3 million. But who are these individuals? We know that most are women; statistics from the same report indicates that 80 percent of all individuals involved in the direct selling industry are women. This gender skew towards women is important, as their inherent styles are more collaborative than men, and they represent the principal decision makers across several direct selling product categories. However, beyond gender and other characteristics (age, marital status and education), ethnic demographics of the direct selling industry are not readily available.

Build a Diverse, High Quality Entrepreneurial Sales Team

Commitment is the foundation of a successful effort to build and maintain a diverse, high-quality sales force. This commitment should be clearly stated and communicated from the top leadership to employees at all levels. In addition, leadership needs to ensure that resources and staff are available to achieve an integrated and diverse talent pool, both *within the company* as well as *at the independent sales representative level*.

This commitment can be demonstrated in several ways. However, the actions that are most often associated with the alignment of diversity as a business priority include:

- Having a *diverse internal leadership team* in key strategic and operational roles within the corporation. An absence of diversity leadership within the organization

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will raise serious questions regarding the degree to which a company is truly committed to diversity. If the company has no diversity in its management, it is going to be very difficult for them to maximize their growth potential within diverse market segments. "Walking the talk" is the most effective way to demonstrate this commitment, particularly when those ultimately talking and setting direction are ethnically and culturally diverse.

- Encouraging a corporate culture that values differences and creates an environment of inclusion.
- Developing an integrated diversity business plan—including product development, communication, promotional planning, community philanthropy and sales support—as a strategic component of the total corporate plan.
- Ensuring the availability of adequate financial and human resources to achieve diversity business goals.
- Driving accountability for diversity success through senior management involvement.
- Training all employees—regardless of ethnic, gender or cultural background—on the importance of diversity as a business imperative and the need to value differences as a source of competitive advantage.

With commitment firmly in place within the organization, elements that *build* diversity through recruitment, outreach and hiring, and elements that *maintain* diversity through the company's use of rewards and recognition and a supportive environment are critical retention strategies.

Building Diversity: Recruitment, Outreach, and Hiring of the Independent Contractor

The purpose of effective recruiting is to attract strong candidates who are prepared to meet the company's strategic goals and priorities and to work effectively in the direct selling environment. Suggestions for effective diversity recruitment of the independent contractor include the following:

- Know where candidates go to find jobs. Identify where they go to obtain information about potential jobs; understand the informal networking and word-of-mouth channels that are uniquely utilized by diverse audiences for information dissemination.
 - Family, friends
 - Churches
 - Barber shops
 - Beauty and nail salons
 - Community newsletters
 - Ethnic newspapers
 - Child care/Day care centers
 - Language schools (e.g., Chinese)
 - Grocery stores/Bodegas (Latino neighborhood stores)
 - Minority professional associations
 - High schools/colleges
 - Fraternities/sororities
 - Radio announcements
 - Internet
 - Libraries
- Leverage recommendations from current employees and internal affinity groups regarding other sources of reaching diverse independent contractors.

In addition, individuals must feel there is a connection between their personal goals and the mission of the organization. This is particularly true for the independent sales representative who is driven by a sense of individual empowerment and desire to chart his or her own destiny. To create and foster a positive image, it is important to understand the unique motivations that prompt an individual—Black, Latino and Asian—to consider becoming an entrepreneur. Once understood, these motivators can be compared to the corporate mission to determine if they can be fulfilled. For example:

- Among Latinos, the concepts of family and collective advancement are important motivational messages (e.g., the individual freedom to pursue educational, wealth-building and business goals for the practical and emotional gratification of the family unit).
- Among African-Americans, being in control of one's destiny and doing so in a way that will garner both self-respect and the respect of others in the community are important motivational themes (e.g., the confidence in knowing that joining a company is a great way to build a future filled with opportunities for advancement, recognition and reward).
- Among Asians, themes that reinforce association with companies that have a track record of success and produce high quality, reputable products and services provide affirmation of having made a smart decision to join the firm (e.g., the pride and prestige of working with an organization that has a history of developing dependable, reliable products).

Maintaining Diversity: Retention Strategies & Supportive Entrepreneurial Environment

Attracting a diverse, high-quality independent sales team is only the first step. Once a company has invested in seeking viable candidates as independent sales

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representatives, the company risks wasting those efforts without a strong retention strategy. The company's next objective is to ensure that their valuable and diverse independent sales team *stays* with the company.

Actions to support the retention of a diverse independent sales force include:

- Ensuring that field supervisors and managers *within the company* are diverse and mirror the population. As with management leadership, it will be difficult, if not impossible, to sustain a high-quality team of motivated, diverse sales representatives if the support they receive is absent of diversity itself. While diversity training for all supervisors and managers regardless of their ethnicity provides value, it is not a substitute for diversity within the field employee ranks. Company employees who themselves are Latino, African-American and Asian can more effectively identify with the challenges of selling as a person of color and can provide strong motivation and encouragement to independent sales contractors to stay the course.
- Creating a flexible and supportive environment—one that provides individuals with the direction, freedom and tools to excel. Not ironically, both members of a diverse company as well as the independent diverse sales contractor will benefit from this flexible environment. Some of the characteristics that define this environment include:
 - Coaching, mentoring and sponsorship opportunities. These support ongoing relationship building, greater understanding of the corporate culture and successful navigation through the internal politics of an organization.
 - Openly networking with diverse members of the senior level leadership, both within the company as well as among top producers of the independent contractor team. This provides positive role modeling, continued motivation to pursue one's dreams and affirmation of the company's holistic commitment to diversity.
 - Receiving high-visibility assignments as an employee, and receiving ongoing encouragement to raise the performance bar as an independent sales contractor. This offers the opportunity to demonstrate skills and competencies and ultimately to gain confidence in the pursuit of higher heights of achievement.

The mark of a truly successful diversity program is one that becomes integrated in the culture and the business

process of a company and is sustained over time. Direct sellers can take several steps to facilitate this continuity.

Track Results

Develop systems of measurement to continually monitor the effectiveness of diversity initiatives and make adjustments as needed. The results should be shared and discussed with senior managers and supervisors for continuous improvement and identification of best practices. Regularly monitor the sales force profile in the context of desired business results at both the national and geographic market-by-market level. Frequent and systematic analysis of the data will help determine progress and successes. In turn, the data may be used to adjust recruiting strategies and other planning initiatives as needed.

Drive Accountability

To succeed in developing and sustaining strong diversity initiatives, direct selling leadership should hold their executives, managers and supervisors accountable for achieving results. Build accountability for hiring, retaining and developing a diverse, high-quality, independent sales force into the performance management systems for managers and supervisors.

Reward & Recognize Successes

In addition to holding managers and supervisors accountable for building and maintaining a diverse, high-quality, independent sales force, direct sellers should also remember to recognize successes. Identify and reward champions, publicizing their accomplishments. Consider nominating senior executives for special awards to recognize their achievements. The award might be comparable to the highest level of recognition a member of the senior executive level can receive. It should also recognize executives who have demonstrated unusual success in building and maintaining a team that is diverse, well trained, highly motivated and productive.

The direct selling company that proactively commits to cultivating strategies to build and maintain diversity within their company and independent sales teams will be far better positioned to leverage the exponential growth of the \$2 billion dollar ethnic-diversity markets for years to come. Companies that fail to move forward may find themselves at a perilous disadvantage; the decided lead will come to those who take action now. 🌟



Miriam Muléy is the Founder and CEO of The 85% Niche, which offers strategic marketing consultancy, including diversity training, brand consultation, advertising development, promotion planning, new product development, public relations support and more. Visit Muléy's Web site at www.85percentniche.com, or e-mail her at mmuley@85percentniche.com.