

INCLUSION AS A CASE FOR BUSINESS DEVELOPMENT

By Louis (Lou) Sandoval

It was a hot Spring day in Chicago, right after we took the helm at our now ten year old boat dealership. In a flurry of commissioning boats, we had an 'all hands on deck' call, in order to meet shipment delays and to deliver boats to our customers in time for the Memorial Day weekend. I was on the bow of a brand new boat, dressed down in scrubby work clothes and helping wash down the foredeck of the boat to prepare her to meet her new owners. Our staff was a few boats down the dock working on another boat.

A gentleman walked down the dock towards the boat and motioned me while speaking very slow English and using a blend of hand signals that I'm not sure would qualify as sign language.

"C-a-n- y-o-u t-e-l-l m-e...how to reach the owner of the dealership?" Hearing this, I thought I would have a little fun with this chap. I hand signaled him back to 'give me one second'; I turned off the hose and dropped down into the companionway for a couple of seconds. I immediately, popped my head back out and said-"Yes sir, my staff tells me you wanted to speak with me?" I never thought a person could turn all sorts of shades of red like this gentleman did that hot Spring afternoon. After a brief laugh at his expense, we engaged in a conversation that later on turned into a boat purchase.--

I share this story as a reality check for people that seem to be rooted in assumptions. It challenges the generalization that many people make when they see someone of an ethnicity, younger or different gender. "Oh, he must be the service person or she must be staff." It is seldom- "he is the business owner or the business owner's spouse". It challenges conventional roles as many in the boating community have known them. One might argue that it hints of the deficit of diversity in the sport. All the while, our country's demographics change and the need to expose new groups to boating becomes ever so clearer.

Much has been written about the future of the boating industry. A clear business case has been made about the changing demographics of our country. A burgeoning Hispanic population with the following key statistics¹:

- 50.5 Million Hispanics in the United States
- Represent 16.3% of the American populations
- 1 in every 6 individuals ; 1 in every 4 children
- Accounted for 56% of the populations growth from 2000 to 2010
- \$1Trillion in buying power

The recent Boating Growth Summit hosted by the National Marine Manufacturers Association highlighted the challenge that boating faces in not only exposing other ethnicities to the sport, but appealing to a younger and gender diverse demographic as well.

The bad news is that marine industry is grossly lagging behind other industries in the business community with outreach to emerging markets; it won't be an easy task. The good news is that in

lagging other industries- the marine industry can learn from some of the mistakes that have been made in outreach to these groups.

The business case is clear: If you are to grow in appeal with different client demographics- your business's internal organization must look like those whom you are looking to attract. At each level of your organization- sales, service and management- you need a younger and more diverse work group. In the end, it is basic human nature- people do business with those they feel most comfortable with and those that understand them the best. They *want* to be included.

Speaking from the Hispanic point of view (yet these principles apply to age and gender as well), simply marketing in Spanish will not be sufficient to attract the demographic you are looking to woo. If there is no connection to the group-then efforts may fail.

The outreach pyramid highlights what a model for inclusion might look like. This particular one is geared towards the Hispanic client, however its basic principles apply to younger customers and gender based inclusion as well.

Outreach Model

Common Pitfalls:

- Assumptions
- Lack of understanding
- Acts of symbolism



Hispanic Outreach Model

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To see this model in action, you can look at what FORD Motor Company did in the past decade since launching their Minority and Women owned dealer program. Launched in July, 2002 when FMC already lead the automotive industry with 7% of its US dealerships owned by minorities, it sought to increase the percentage by putting a recruitment plan in place that would : 1. Increase the number of minority sales people and service representatives that might serve to serve as ambassadors to the brand within

their communities. They sought to train and develop the top tier sales people into a high level dealer training program (mimicking a mini MBA program) that provided the potential business owners with the skill sets needed to successfully run dealerships for Ford². In its first year of application, Ford saw an increase on the sales side of the business of 263% in the Hispanic community. Ford didn't stop there. In 2011, they set a new industry standard by hitting a 34% Supplier diversity record in with minority owned businesses³. At all ends of the spectrum: supplier, employee and customer sectors- they were able to see an increase that translated into business growth.

This is just one example of to many in the business world of how providing vertical change in your business can translate into business growth. It starts with looking internally and assessing your business strengths and areas of opportunity. Finally, it means applying the golden rule when dealing with others, being curious and taking the time to develop and nurture strong business relationships. At the essence of human nature (regardless of where we come from or what we look like) is the need to be treated fairly and to be understood.

References:

¹U.S Census Bureau, PEW Hispanic Center, Selig Center for Economic Growth

²Ford Forms New Partnerships to Increase Support for Minority Dealers

³Ford Sets New Record in Supplier Diversity with a 34 percent Increase in Minority Sourcing for 2011

Additional Reading:

[Diversity as a Business as a Strategic Advantage- Business Week Magazine](#)

[Data Reveal Complex Picture of Hispanic-Americans-NPR](#)

[Diversity in the workplace: Creating long term business solutions-Washington Post](#)

Biography:

Louis (Lou) Sandoval

Co-Owner/Co-Founder of Karma Yacht Sales, LLC –Chicago, IL

Lou was first exposed to the sport of sailing at Boy Scout Camp while earning his small boat sailing merit badge. Little did he know that 21 years later after a successful career in the Medical products and Biotechnology industry, he would fulfill his dream of business ownership through the purchase of Darfin Yachts Ltd. Ten years later, Karma Yacht Sales has become one of the top Beneteau dealerships in North America based on the simple principle of providing best in class customer service. Perennial winners of

Beneteau's President's Award for Sales and Customer Service, in 2011 they were named Beneteau's Dealer of the Year.

Lou has been active in the local boating community as well. He has served on volunteer boards for the local Lake Michigan Handicapping Council and held numerous leadership positions at Chicago Yacht Club including the board of directors. He is an eight year veteran of having served on the Chicago Yacht Club's Race to Mackinac Committee and in 2011 served as Vice-Chairman of the race. In 2012, he will serve as the first ever Hispanic chairman of the 104th Running of the Race to Mackinac, his first of a two year assignment. Having completed 12 Macs himself, Lou's boat 'Karma' has won their section in the Race six out of the last eight years.

Lou is a strong believer of sharing the sport of sailing with those to whom the sport might not come naturally. He has served on the board of directors at the Judd Goldman Sailing Foundation for Disabled Sailors and was named US Sailing's Sailor of the Month in 2011. He is also active in the local council of the Boy Scouts of America where he serves as the Council Commissioner and gives back by helping the youth of Chicago benefit from the Character and leadership development that scouting provides.

Lou's two young daughters have been on board boats since they were four and six months old. This July and August the oldest of his daughters will take her first formal sailing lessons at Chicago Yacht Club- an accomplishment Lou and his family look forward to.