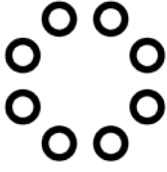


DE&I: An Integrated Perspective

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It's good for business.





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BY JOHN JAROSZ

The welcome uptick in diversity-led private equity firms is prompting many in the space to look at themselves and their portfolio through a more diverse, equitable, and inclusive lens. Not only because it's the right thing to do — it's a way to give your firm a distinctly strategic value proposition. As we celebrate Pride Month and the LGBTQ+ community, DE&I at the workplace is especially on our minds.

Regardless of your firm's make-up, if you haven't had to consider your approach to diversity, equity, and inclusion (DE&I) yet, you will soon be getting hit by it on all sides — internally and across your business holdings. DE&I is a very real market reality, and more and more private equity firms are noticing that having diversity in their partners and portfolios isn't only what's right. It's good business.

These firms see that having a better mix of experience and perspectives amongst the executives in their groups increases their resiliency and ability to address a broader range of problem sets.

When it comes to managing a portfolio, you don't just want people with a stellar background of success. You want people who've had to deal with really tough problems. In many respects, DE&I can help future-proof your firm and your portfolio.

Although the scales have not flipped yet, more capital is now available from a growing and increasingly diverse pool of PE firms. So in a choice between two investment partners, founders will undoubtedly consider whether their partner reflects who they are and the customers they represent.

Work from the outside in

Private equity firms have many opportunities to integrate DE&I internally and through the businesses they purchase.

We did this with a company recently purchased by a PE firm to integrate DE&I into its software experience. The creative wing of the product development team designed and built a diverse and equitable product style guide that was implemented into their design language system for UX designers and software developers to adopt across the board. We saw significant marketing results in this and improved adoption on the customer side. We had better customer service success in installation and saw an uptick in usage.

We also saw an uptick in presales, which was revolutionary for the marketing team. Anecdotes included a buyer's admiration in seeing a woman in a burka (a first). Another person appreciated the imagery of a person using a wheelchair, since they had a relative in a wheelchair.

Although that kind of feedback isn't going to drive ROI at scale, it was an important moment for the team because it was someone experiencing the realization of the abstract brand promise in real-time. That feedback was extremely validating, and the emotional impact inspired traction on a much broader scale, even internal to the business. And that's a good thing to do in 2022.

Walk the talk

When DE&I is only addressed via marketing methods, customers get the message. But they easily see through it if your products and services don't live up to the promise — creating an even more negative experience because of mismatched expectations.

It would be best to have a DE&I experience strategy rooted in awareness, adoption, and centralized consumption that touches multiple parts of your business.

Adoption of DE&I assets internally can be an approachable teaching moment. Like accessibility, have a plan for centralized consumption and digestible learning for teams. Organizational adoption and awareness will be key to ensuring DE&I elements are used in the most natural way.

Think about how those assets are consumed downstream and translated across internal teams who may or may not have exposure or cultural backgrounds to DE&I. Take the time to understand how teams use the system and which groups will need the most support and understanding of “why.”

Understand what needs to change and why teams may not be ready or see value in new DE&I forward assets so that you can plan for the weak points in your adoption strategy

Make DE&I less daunting

Implementing principles into your product and service experience, you bring more relevance to your end-users and create a more impactful and lasting emotional reaction that builds customer loyalty and additional usability. But it can also seem like a daunting exercise.

The good news is that if you’re a global brand, it’s likely you already have the fundamentals in place for implementing a DE&I strategy that delivers positive outcomes internally and externally. Like serving global needs or building accessibility into your brand, DE&I comes down to designing an experience that appeals to all your customers.

Tackle the product or brand problem first

In one DE&I initiative we helped a software company navigate, we partnered with the marketing team right from the word “go.” That way, the creative wing of the product development team was able to design and build a diverse and equitable product design style guide within the system that UX designers and software developers could easily leverage.

Next, DE&I was implemented for external product and marketing purposes, making it much easier to expand on the positive impact of DE&I from there. We just had to keep asking ourselves: how can we accommodate these customers better? How can we make life easier for them? How do we add products and services?

The exciting thing is that you’re already doing a lot of this thinking – especially if you’re implementing accessibility into your products and services. Or if you have a global client base.

Then, you can start to apply DE&I to more internal efforts. You can hire more diverse vendors to work with you. Or start recruiting a more diverse and equitable team. You may not be able to make systemic salary changes to your whole organization today – but you can start with your next hire.

Starting up? Start with DE&I

Your goal as a founder is to zig while others are zagging, and DE&I is an element you don’t want to ignore.

DE&I are concepts that can be hard to navigate when you’re already an established corporation. But for founders, building up with DE&I principles baked-in at the start is an effective way to build a distinct value proposition and a company people want to be part of – even when things are tough.



Designing DE&I into your product experience isn't just an exercise in visual placation through illustrations, graphics, or words. It's understanding LGBTQ+ customers better and designing actual features and meaningful product narratives with nuanced exposure and inclusion.

Not only does DE&I help make better products and services, support your marketing strategy, and your recruitment and retention efforts, but private equity firms are more and more often looking to diversify within their portfolio companies. Potential acquisitions with a clear DE&I strategy are looked at more favorably.

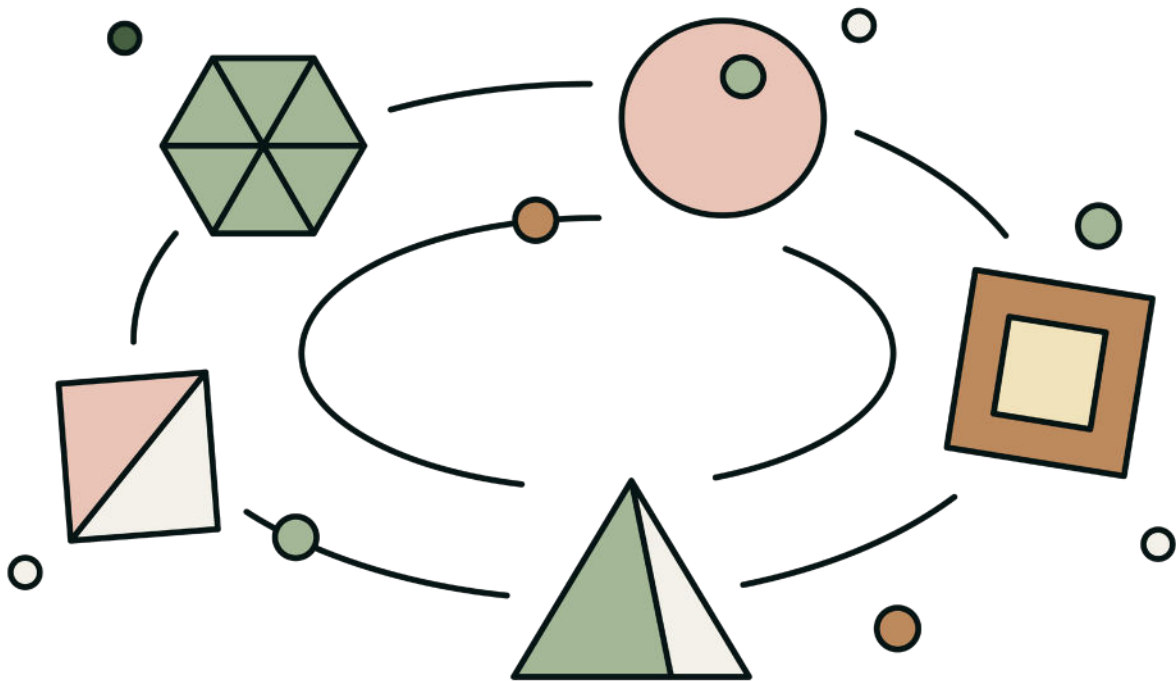
But the exciting thing is that you're already doing a lot of this type of thinking — especially as a new venture, pitching your unique value proposition to customers and investors. When you think about it, DE&I boils down to a highly engaging and effective total customer experience. You need to build products that resonate with your audience. And that audience is increasingly diverse — especially if your product or service reach is global.

An integrated perspective

Designing DE&I into your product experience isn't just an exercise in visual placation through illustrations, graphics, or words. It's understanding BIPOC and LGBTQ+ customers better and designing actual features and meaningful product narratives with nuanced exposure and inclusion.

And consider this: it's much easier to implement DE&I philosophies into your product and service development processes when you're starting out — rather than when your processes are already established and your culture, with all of its good and bad habits, is already entrenched. This is precisely why most corporations struggle with implementing DE&I concepts.

But the benefits of DE&I go far beyond marketing. In this increasingly global world, where consumers have the choice to buy products from literally anywhere and from anyone, ensuring your client experience is inclusive to all your customers is a sure-fire way to stand out.



See what we can do together.

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