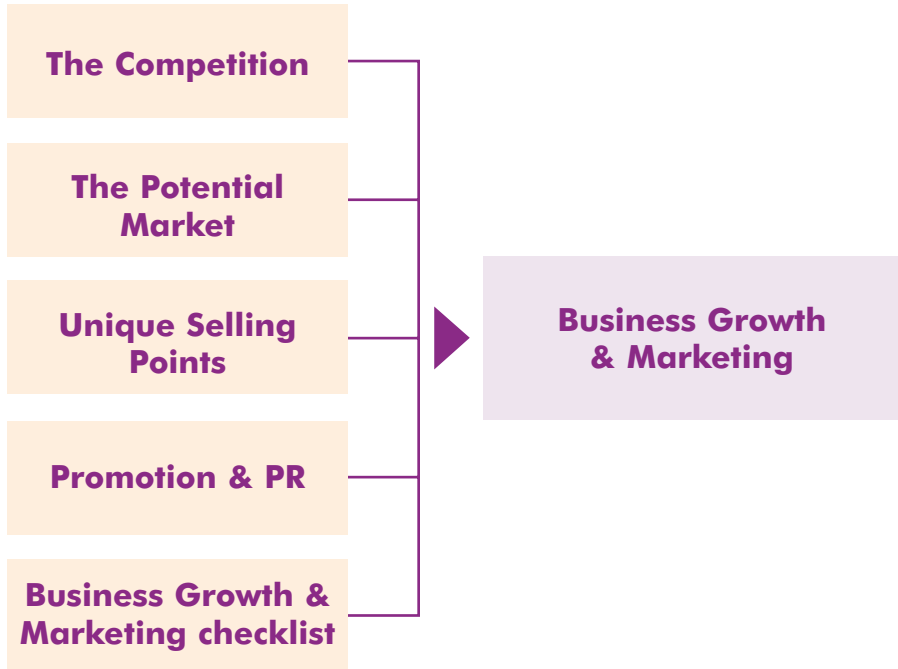


Business Growth & Marketing



The Diversity Means Business project is co-financed by the South East England Development Agency and the European Social Fund.

Business Growth & Marketing



Further help and advice is available **FREE** to eligible businesses from the Diversity Means Business project team.

Tel **023 9284 1610**

email **info@diversitymeansbusiness.org.uk**

or visit **www.diversitymeansbusiness.org.uk**

for more information.

The competition

There are more than £3.5m small businesses in the UK, the majority are in real estate, renting, business activities and construction; there are over 600,000 small businesses in the South East alone¹. These small businesses will be in competition with each other, large businesses, nationals and multi-nationals plus, in some areas, the public and voluntary sectors. In addition, many small businesses are themselves moving into international markets and need to consider how they appear to overseas customers. So gaining competitive advantage will be at the forefront of the mind of every business owner. Typical strategies will include:

- developing a unique/different reputation;
- increasing the quality of their 'human capital';
- reducing costs;
- resolving labour shortages;
- opening up new markets;
- improving performance in existing markets.

Investing in diversity can support all of these strategies.

The Potential Market

General Public

- Ethnic minorities contribute £2.5bn net per annum to the UK fiscal budget and have an annual spending power of £12-15bn. They represent some 9% of the UK population.
- People with disabilities have an annual spending power of £45-57bn. One in every four potential customers is disabled or has a close relative or friend who is disabled.

¹ Small Business Skills Assessment Summary 2002

- 40% of the population will be aged over 45 with an annual income in excess of £160 bn. For many, walking, seeing, hearing etc. will diminish with age. People over 60 represent 20% of the consumer market.
- The disposable income of the lesbian and gay community in the UK is estimated at £4.6 bn (probably a conservative estimate).

No business should ignore these large and valuable markets.

Example:

B&Q produces a calendar of religious festivals and events and promotes products linked to different festivals, e.g. they make sure they have plenty of candles available in stores around the time of Eid and Diwali. Some stores have organised product demonstrations in different languages, which greatly improves customer service and helps to attract a more culturally diverse customer base.

Disabled Customers

The Disability Discrimination Act places a duty on organisations that provide services to the public, whether private business, public or voluntary sector, to anticipate the needs of disabled customers. From October 2004 service providers are required to reduce or remove physical barriers that make it unreasonably difficult or impossible for a disabled customer to access the service.

Companies employing people with disabilities are better able to anticipate and respond to the needs of disabled customers.

Public Sector

Public authorities have a legal duty to promote race equality in all of their activities, including those they contract out to suppliers. An effective diversity policy can make your business a serious competitor for public contracts—local authorities alone spend more than £40 billion a year on procurement. A good record on equality will put you in a stronger position where you have to show you can meet any race equality requirements.²

Other Businesses

If business-to-business work is the focus of your activities, it will be important to keep abreast of those customers' diversity developments. They will want their employees to feel as comfortable when dealing with your people as they do when working with their own colleagues. Like public authorities, large companies are increasingly asking about policy and practice in their supply chains.²

Many big businesses are paying increased attention to the policies of their sub-contractors. A DTI survey revealed that 17% of Small to Medium Enterprises (SMEs) had been asked about their social and community policies. SME interaction with their local communities in relation to both employment and customer service can therefore be significant.

²CRE Racial Equality and the Smaller Business

Unique Selling Points (USPs)

Consider how customers are making choices. If price and product are broadly similar, they need another factor upon which to make a decision.

The following might tip the balance:

- A competitor can copy your products, your services, your technology and your prices but they cannot copy your people. Use the individual skills and qualities of diverse employees as your competitive advantage;
- Your reputation as an excellent employer who cares about diversity within the workforce and thus within the customer base can give you the edge and the extra market share;
- A business workforce that reflects all aspects of its customer base is likely to appear more familiar and better prepared to meet the needs of those customers.

A 1999 study found that 87% of European employees would increase their loyalty to a company if it was seen to be involved in activities that help improve society.

Promotion and Public Relations

Businesses need to be able to quote their diversity policy and evidence of its effectiveness to customers. This could also be a positive element in bids for contracts/tenders. Internal and external newsletters, advertisements, press releases, notices on premises, company reports, web sites etc. should all be used to maximise visibility. Employees can be excellent advocates if their personal experience reinforces your diversity strategy.

Often, an effective communication strategy can be achieved at little or no cost, enabling you to reach new markets.

Examples:

A restaurant had two staff members who could use British Sign Language (BSL) yet they had not promoted this additional service in any form. Ideally, they could have put up notices inside and outside the restaurant, on the menus, in advertising and marketed direct to local hearing-impaired groups.

One retail company had a large number of employees who could speak a range of languages. They simply included this information on staff name badges so that both their colleagues and customers were aware of the extra assistance available.

How to Reach New Markets – Action Checklist

Understand your legal responsibilities especially relating to disabled customers

Promote your commitment to diversity to wider groups of potential customers

Provide diversity training for employees dealing with customers

Consider reasonable adjustments in how you provide services to customers

Collect and analyse data about your services and customers by gender, race/nationality, religion/faith, disability and age etc.



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**Please contact us if you require
alternative versions of this leaflet.**

Please note: The information provided in this handbook is not legal advice but is for general information only. If you require advice upon the law we strongly recommend that you speak to a legal professional to obtain legal advice.

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