

Good morning! I'm very happy to have the chance to talk with you about why "women are good for business." Take a look around you – what do you think the percentage of women is in this room? Not 50%, that's for sure. We need to change that, and I'm going to give you some of the reasons why.

As you've just heard, I work in academia. And in academia, we only believe something if you have research to prove it. So I'm going to share the results of a number of studies with you, although it's just a small subset of the research that's out there. I'm going to focus on four aspects of the business case for why the produce industry needs more women in leadership. Those four aspects are:

1. The financial case
2. The talent case
3. The market case
4. The effectiveness case

Let's start with the financial case. There is a lot of research out there that shows that organizations with more women in leadership have better financial results. For example:

- A Catalyst study looked at companies in the Fortune 500. They determined that the companies that had the highest representation of women in senior leadership significantly outperformed the companies that had the lowest representation of women. They had 35 percent higher return on equity and 34 percent higher total return to shareholders
- In another study, McKinsey looked at the 89 European companies that had the highest proportions of women in senior leadership positions and that also had at least two women on their boards. They found that those companies outperformed their industry averages in several ways. They had 10 percent higher return on equity, 48 percent higher earnings before interest and taxes, and 1.7 times the stock price growth
- Here's a third study. A professor at Ceram Business School in France looked at what made companies resistant to the global market crash. He found that the more women a company had in management positions, the less its share price fell

Now I know you may be thinking that none of these studies show that having more women in leadership actually caused these business results. And you are absolutely right – these studies only show correlation, not causality. It could be that companies that pay attention to having a diverse workforce also have other policies and structures in place that cause them to be more financially successful. What we believe is that as companies work to create a more level playing field for women, they will develop a culture that allows everyone to contribute more fully, and that, in turn will drive better business results.

So that's the financial case – now let's move on to the talent case:

Last spring we conducted interviews and focus groups with a variety of leaders in the produce industry. We asked everyone what they saw as the top challenges the industry will face. Almost all of them said that attracting, developing and retaining talented people is going to be critical.

We know that women are 50% or more of the global talent pool, or to quote one of our interviewees, "half the smart people in the world are women."

But are women cut out to be leaders? Take a minute – picture a leader in your mind. Chances are, whether you're a man or a woman, you probably pictured a tall, broad-shouldered, white guy. But when researchers analyze the data on 360 degree leadership assessments, you know the ones where you are rated by your peers, your director reports, and your boss? They find that women score as high as or higher than men on

most of the competencies. So women definitely do have the right skills to be leaders, even if they don't look like the stereotype. In fact, some people would argue that in a business that is very relationship oriented and complex, a more "feminine" style of leadership is going to be most successful.

Turning to the market case, let me ask you this – who buys more produce, men or women? Women, of course. So if you want to really understand your consumer, it makes sense to have some people on your leadership team that look like your customers. In addition, a lot of the global retailers are actively looking for diversity in their suppliers. So if your leadership team has a significant percentage of women, that gives you a distinct advantage over your competition. And even when there isn't a specific mandate, there's a greater and greater likelihood that you'll be selling to a woman inside that organization. Did you know that right now in the US, women account for 41% of employees who have authority to make purchasing decisions?

But ultimately, we at Simmons believe that the most important reason that women are good for business is the effectiveness case. When you have more women on a team, the team is more effective. There's a lot of research out there, but I'm just going to highlight two studies. First, there was a great article in the Harvard Business Review not too long ago. It was actually in the "defend your research" section, because the researchers were surprised by their results. They started by giving their subjects a standard intelligence test, and then assigned them randomly to teams. Each team was asked to complete several tasks—including brainstorming, decision making, and visual puzzles—and to solve one complex problem. Then the teams were given effectiveness scores based on their performance. What researchers thought would happen is that the teams with the highest average IQ would also have the highest effectiveness score. That didn't turn out to be the case. Instead, what they saw was that the teams that had more women had the best results.

Another study looked at 15 years of data on the management teams of S&P 1500 firms that were heavily focused on innovation. Researchers found that more women in top management improved their performance.

So there you have it—a small sample of the research behind the financial case, the talent case, the market case, and the effectiveness case. What do you do with all this information? Well, if you agree that women are good for business, I have two suggestions. First, if you haven't read it already, pick up a copy of the September Harvard Business Review. You can probably find it at the bookstore at the airport. It has some great articles on women and leadership, and how great leaders foster diversity. My second suggestion is that you identify 3 high-potential women in your organization, and figure out how you can support their development. Mentor them, sponsor them, act as a peer mentor, help them take on stretch assignments. And encourage them to attend the Women's Fresh Perspectives Conference next April! And if they do attend the event, please ask them to introduce themselves to me!

Thank you for this opportunity to talk with you why women are good for business.