



Remarks by Sharon Allen

“Women onboard — And earning their way”

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Milwaukee Executive Women’s Network



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Great Truths from the Freeways of Los Angeles

While I live in Pasadena, California, my office as chairman of Deloitte’s U.S. board of directors is in New York. That means I’m often on the freeways of Los Angeles commuting to or from the airport. It’s about a 10-mile trip — and everything you’ve heard about the traffic there is true. You can spend a lot of time staring at the brake lights of the car in front of you.

Or, for comic relief, you can read the bumper stickers you often see just below. I always seem to follow the car whose message says — “I’m in no hurry. I’m on my way to work.” And there’s one that, for some reason, always makes me smile. It says — “I brake for llamas.”

Now, I can understand if it said, “I brake for badgers” — sounds like we have some Wisconsin graduates among us. But llamas? Only in Southern California.

There is one bumper sticker I saw the other day, however, that made me think of our meeting this morning. It said — “Well behaved women rarely make history.”

After hearing Gail’s report, it’s hard not to think that the time has come for some history to be made. But I’m not advocating that anyone misbehave to make it happen. That’s neither professional nor persuasive — especially when the facts that support women as leaders are so compelling.

If history is to be made, let it be made by many different voices in the C-suite and in the boardroom — and not just by the voices of those who are white, older, and male. There are many reasons why.

Numbers tell a story

As an accountant, I’ve always believed that numbers tell a story. And when it comes to talent, the story the numbers tell us is that of a gathering storm. According to Economic Policy Foundation estimates, the U.S. economy will suffer a shortfall of 6 million workers by 2012; and 35 million workers by 2035.

With talent in short supply, it’s not too hard to imagine a leadership deficit too far behind. That’s why businesses cannot afford to neglect the individuals of any demographic group as candidates for leadership.

At Deloitte, we know this truth all too well. Fourteen years ago, we had a serious problem. While almost half of our new hires were women, their admission rate to the partnership was less than 10

percent. As a result, many talented women left Deloitte. Not to go home and raise families as many assumed, but to join other organizations with greater flexibility.

The challenge was clear. For Deloitte’s long-term health and ability to compete, we needed to provide women with the skills, tools, and environment to advance.

So, in 1993, our leadership created “The Initiative for the Advancement and Retention of Women” — what we refer to as our Women’s Initiative, or “WIN” for short. Our goal was to reduce and eliminate the turnover gap between men and women. We envisioned an organization with many women leaders, and a board of directors with appropriate representation of women (at this time there were no women directors on our board).

By creating opportunities to connect with clients, businesses and community leaders — through activities such as this Executive Women’s Network — WIN would enable our women to become more effective in the marketplace.

And it’s working. Fourteen years later, we’ve eliminated the gender turnover gap. Our admission rate of women to partner and director has increased from single digits to almost 35 percent. Women comprise one-third of our board. And, yes, we are the only one of the large professional services firms with a woman chairman.

Most importantly, I think, our Women’s Initiative ultimately helped to create a better environment for everyone by creating a culture of flexibility. One that addresses schedule disrupting realities such as two career households, children in school, older parents needing care, difficult commutes, and all the vagaries of twenty-first century living. That’s crucial if we’re to develop the vast potential among all of our people to lead — especially women.

Leadership: The Community of Women

The community of women has a long history of rolling up its sleeves and providing both talent and leadership when it’s needed most. During World War II, for example, more than six million women flocked to manufacturing plants across America. While the men they replaced took up arms, these women took up rivet guns to help build everything from ships to airplanes.

A while back we discovered a journal that my Dad had kept during the war — and he noted in the journal what a difference women

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were making in the workforce and how he suspected their role there would never be the same. Even with his forward-thinking notation in that journal, I'm not sure he would have ever anticipated his youngest daughter — who wasn't even a twinkle in their eyes at that point — being called the “chairman” of a nearly \$10 billion organization!

Women have come a long way since “Rosie the Riveter.” Just ask the 13 Fortune 500 CEOs who are women — or the 74 women currently serving today in the United States Congress — or countless other women who are leading and making a difference on the job and in the community.

The progress of women in the workforce has been impressive. In fact, I don't think there's ever been a better time for women in business. But, from my perspective, we've only scratched the surface. Much, much more can be done when it comes to developing women as leaders.

At Deloitte, our Women's Initiative has been a springboard to many different leadership experiences. For example, consider a program like Leading Edge, a leadership development opportunity that we hold in Boston with Simmons University. Each year, we select our top-performing women partners, principals, and directors to spend a week interacting with our firm's leaders and networking across functions with each other.

We've also established programs like Mass Career Customization that help create greater flexibility for women and men. Taking off from the consumer business notion of mass customization — where you can customize everything from your jeans to your car — Mass Career Customization is a fresh approach to the traditional “always upward” model for career mobility.

Instead of the “corporate ladder,” the new Deloitte model is that of a “corporate lattice” designed to help talented people fit their work to their life and their life to their work. Built upon the variables of pace, workload, location/schedule, and role, the corporate lattice enables talented people to build career options that work for them. Through Mass Career Customization, you can choose to dial up or dial down on any of those variables — whatever works best.

And through another program called “Personal Pursuits,” women and men can also choose to actually step out of the workplace — but without stepping out of the Deloitte network. Personal Pursuits is designed for employees who wish to leave the workforce for one to five years with the intention of re-entering thereafter. While they're

away, they can stay connected and keep their skills up-to-date through training and taking on an occasional project if they choose to.

At Deloitte, women have many possibilities. And it really helps when our senior leaders make a personal commitment to help a woman advance.

I know. All I needed was a chance. Fortunately, our managing partner at the time, Bill Parrett, was willing to give me the opportunity to prove myself. So I took the ball and ran. And I'm still running.

You'll hear shortly about my professional journey. But Bill's commitment and those of so many other leaders have helped Deloitte retain talented women — and save the millions and millions of dollars that it would cost to replace them. When senior leaders make the right commitment of people, time, and resources, the sustainable development of women as leaders can become an accepted part of our business culture.

That's important. Besides providing needed leadership, women also can provide different perspectives that drive results. And it's not just me saying that. As one of my favorite bumper stickers says — “Without data, you're just another person with an opinion.”

So consider these survey results announced just last month by Catalyst Inc. It found that Fortune 500 companies with the highest representation of women board members attained greater financial performance, on average, than those with the lowest representation of women board directors. And the differences weren't just significant — they were stunning:

- Return on sales — 42 percent higher.
- Return on equity — 53 percent higher.
- Return on invested capital — 66 percent higher.

And if that's not enough, the average returns at companies with three or more women on their boards were ever higher — an additional 30 percent higher on sales and equity — and an additional 70 percent higher on invested capital.

Women can make a positive difference in the quality of boardroom debate. They're certainly compensated that way. A new survey by The Corporate Library indicates that the median earnings of women directors is \$120,000 — about \$15,000 higher than the median total compensation for male directors.

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Depending on how you look at the numbers, it's fair to ask if it's women on boards that makes successful companies better — or, if they're good companies to begin with and that's why they added women to their boards. Considering the Catalyst findings, however, I'm not sure we need to debate which answer is right.

This much we do know. Women think differently from men. According to research published last October by the Wellesley Centers for Women, women directors make three distinctive types of contributions that men are less likely to make. They include a greater willingness to:

- One, broaden discussion to consider the concerns of a wider set of stakeholders;
- Two, pursue the answers to difficult questions;
- And, three, offer a more team-like approach to leadership through improved communication.

These behaviors — inclusion, persistence, and collaboration — are essential to the success of any board.

Changing the Scenery — Lessons for Life and Work

So where do we go from here? True — women have made great progress — but is it enough? Not yet. Not when it comes to developing women as leaders. It's like the bumper sticker I saw the other day. And while it wasn't eloquent, the message was unmistakably clear. It said — “If you're not the lead dog, the scenery never changes.”

How to change the scenery?

You don't need to take on that challenge alone. There are many people who can help you. That's one of the lessons for work and life that I've learned during my career. And I'd like to share that one and some others with you now.

Lesson 1: Have a mentor — and be a mentor. I can't stress enough how important mentoring is to achieving success. Having a mentor (or in my case, a number of mentors) was absolutely critical in shaping my career. A good mentor cares about you as a person, is interested in your success, and provides a perspective that you may not have considered. It's not overly complicated, but it is incredibly valuable.

There was a period of only about two years in my career when I did not have a mentor. And I must confess, those were two of the

most challenging and frustrating years I've experienced. In fact, that experience of being without a mentor only served to increase my appreciation for the role. And don't forget that it goes both ways. Along with finding a mentor, be a mentor. Help others along the way, and you will feel more rewarded in your own career.

Lesson 2: Find something you love to do and do it with passion. While most of you are established in your careers, it's never too late to put this lesson into action. As for me, I was fortunate to take this lesson to heart when I went to college. My studies took me to Moscow — Moscow, Idaho, that is. At the University of Idaho, I started out as an education major. That's what a lot of women did in those days.

My roommate studied accounting. And you know what? Accounting allowed me to combine my technical and analytical skills with my desire to work closely with people. So I switched to accounting — and she ended up majoring in education! I can only hope my influence on her was as important as her influence was on me.

I will admit, when people ask me if, as a young girl growing up on a farm in Kimberly, Idaho, I'd ever imagined I'd be the chairman of an organization like Deloitte, I say “Of course — NOT!” But if they ask — “Is it possible?” — I answer with knowledge and the conviction that anything's possible.

Lesson 3: Take responsibility for your own career. Don't assume that people you are working for are aware of all the good work that you are doing. I remember early in my career being passed over for a promotion. I went to my boss and expressed surprise. After all, I had performed very well, and I laid out for him a list of all of the things I had accomplished.

You know what he told me? That he didn't know I had done all of those things. That taught me a valuable lesson — it's important to assure that those around you recognize your accomplishments and the contributions you've made, without being a braggart.

Lesson 4: Be willing to step outside your comfort zone. My career began in Boise, Idaho. As a woman in a field dominated by men, I was a bit of an anomaly — and as the first woman auditor in that office, I definitely stood out. It probably would have been easier NOT to be in the role of breaking gender barriers along the way. But stepping out of my comfort zone helped me grow personally, and I'd like to think it ultimately helped our firm.

“Keep the dream alive” — but, not as the bumper sticker says — “by hitting the snooze button.” There has never been a more important time for women to make our presence felt and our voices heard.

In 1994, I was chosen as the first woman to serve on the Deloitte board of directors. I was happy as can be as the managing partner in the Boise office, lead partner on one of the firm’s largest audit clients, chairman of the Chamber of Commerce, and many other important responsibilities. I was doing it all — but then that was part of the challenge ... I HAD done it all in Boise.

Plus, we were a two-career family. But when my husband sold his business, our personal situation became a bit more flexible. And when the firm asked me — “Now, why can’t you move?” — I knew that for my career to take flight, I had to spread my professional wings. So I accepted new responsibility.

We moved to Portland where I took on a regional role in the Pacific Northwest. Two years later, I was asked to move to Los Angeles to become the managing partner of our Pacific Southwest practice. At the time, it was Deloitte’s second-largest regional office — and, with about 2,500 people, was larger than my home town!

A funny thing happens when you enter a new, challenging environment, outside of that comfort zone. Before you know it, the new place begins to feel comfortable. That’s when you know it’s time to raise the bar again and look for the next challenge.

And finally, **Lesson 5:** Be true to yourself. Do the right thing and always act with integrity. Growing up on a farm in Idaho helped instill a set of values that I carry to this day. Your values, and the way you act on them, will determine your reputation and ultimately, your success. Ethical behavior is always rewarded — even though choosing to do the “right thing” is sometimes difficult.

My view is that maintaining the proper balance in your life actually helps you make the “right” choices. Think about it. Investing all of your time and energy in your job makes you more dependent on your career for rewards and personal fulfillment. But if that goes awry, the temptation to cut corners could increase — and making the right choice becomes even harder. I can certainly say for my own part, that my strong relationship with my husband, family, and others in my life makes any principled choice that I make in my career easier.

We tested that premise earlier this year in a poll conducted for Deloitte by Harris Interactive. The results were overwhelming — 91 percent of the more than 1,000 adults polled believe that employees will act ethically at work when they have a good work/life balance. The message — if you keep your work in perspective, and stay true to

your personal values, you will always maintain the strength of your convictions.

In closing, let me just say that women finding their rightful place in the C-suite or the boardroom is not about fairness or altruism — nor should it be. It’s about hard numbers — and real needs. Most importantly, it’s about women demonstrating time and again that they can deliver results — and provide the diversity of thought that can help boards and companies make better decisions.

That said, let me leave you with a final piece of wisdom from the freeways of Los Angeles — “Keep the dream alive” — but, not, as the bumper sticker says — “by hitting the snooze button.” There has never been a more important time for women to make our presence felt and our voices heard. And I don’t have to tell you that we’re up to the challenge.

As Eleanor Roosevelt once said, “A woman is like a tea bag. You never know how strong she is until she gets into hot water.”

So jump in — and be strong.

Our companies need the leadership that women can provide.

Please accept my best wishes for your continued success! I’d be glad to answer any questions that you may have.

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