



COMPETITIVE ADVANTAGE THROUGH DIVERSITY



OVERVIEW

POINTS OF DISCUSSION

- Changing Marketplace
- The role of diversity in business growth
- Next steps

OUR PURPOSE TOGETHER





CHANGING MARKETPLACE

Forbes
| Coaches
Council

BUSINESS LEADERS WORRY MOST ABOUT 2022 & BEYOND...

- Changing business trends and hyper competition
- Keeping up with digital transformation in the T&L industry
- The new era of employee engagement
- Developing and retaining talent
- Workplace flexibility expectations

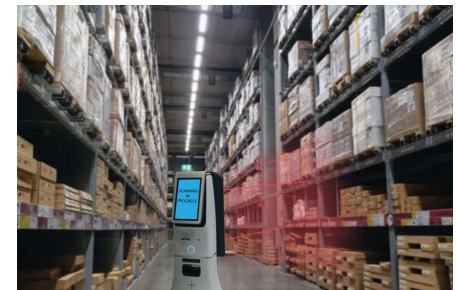
A GOOD DIVERSITY, EQUITY & INCLUSION STRATEGY CAN TAKE CARE OF THESE...

- ~~✓ Changing business trends and hyper competition~~
- ~~✓ Keeping up with digital transformation in the T&L industry~~
- ~~✓ The new era of employee engagement~~
- ~~✓ Developing and retaining talent~~
- ~~✓ Workplace flexibility expectations~~

A photograph of a person with a beard, wearing a white shirt, sitting at a dark wooden table in a cafe. The person is holding a black smartphone in their right hand. On the table, there is a laptop, a tablet displaying a webpage, and a glass of iced coffee with a black straw. Another person's arms are visible in the background, also at the table. The text "IMPACT OF TECHNOLOGY" is overlaid in white, bold, sans-serif font on the left side of the image.

IMPACT OF TECHNOLOGY

TECHNOLOGY IS HERE TO STAY



WHAT COMES TO YOUR MIND...



APPLE

HAVE YOU EVER USED THESE PRODUCTS BEFORE?



MOST IMPORTANT ACCESSORIES



DO YOU KNOW ?

Who is among the most profitable companies in the world?



What is the #1 company in customer satisfaction in the U.S.?



What are the most valuable brands in the world?



Which T&L company spend over \$1 billion annually on technology alone?



ONCE UPON A TIME...



1929

Freight & Logistics

\$600 Million

GONE



whiplash

2008

Fulfillment & Logistics

\$294 Million

ACQUIRED



1907

Transportation

\$97 Billion

GROWING



1994

Selling books+

\$470 Billion

GROWING

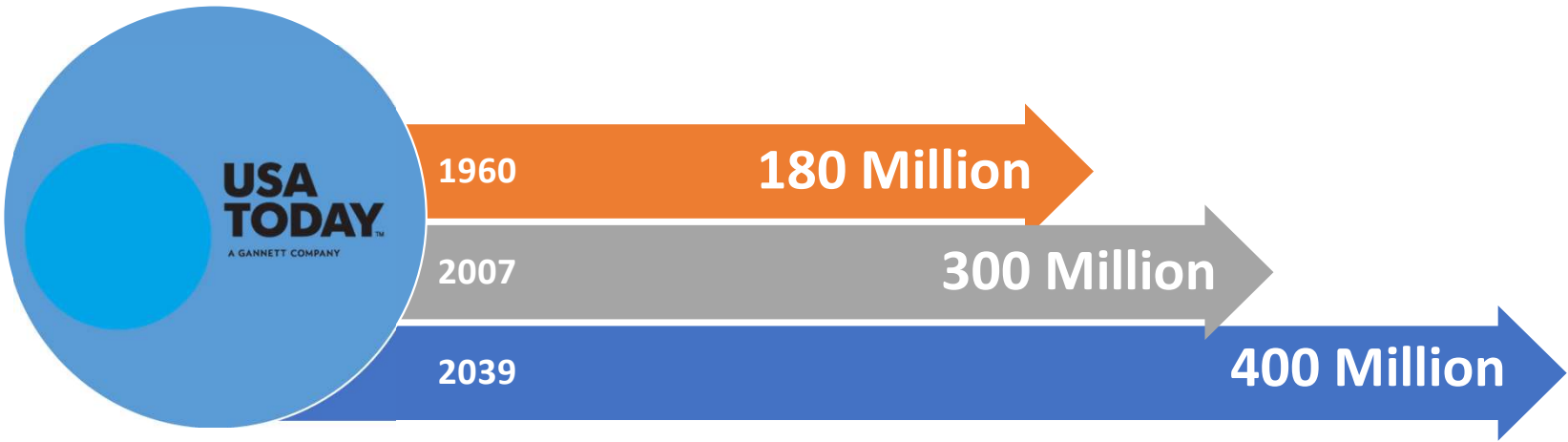
UNUSUAL COMPETITORS IN T&L





DIVERSITY OF PEOPLE

AN INCREDIBLE MILESTONE



MAIN DRIVERS TO GROWTH



LONGEVITY



BIRTH RATE



MULTICULTURAL/DIVERSITY

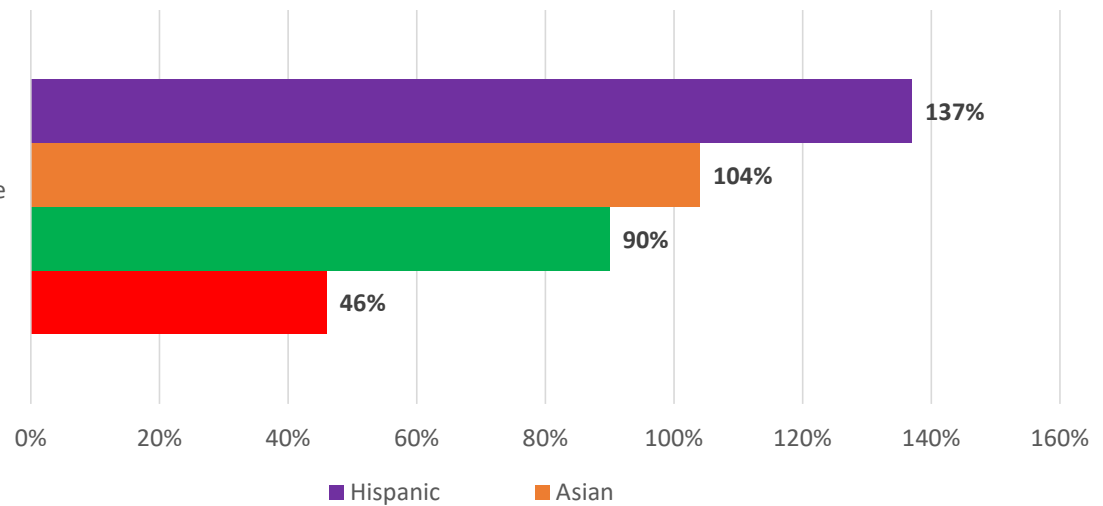


AGING ETHNIC POPULATION...% INCREASE 65+

65+ Projected Aging Population Increase from 2014-2030



Projected Increase
From 2014-2030



MAIN DRIVERS TO GROWTH



LONGEVITY



BIRTH RATE



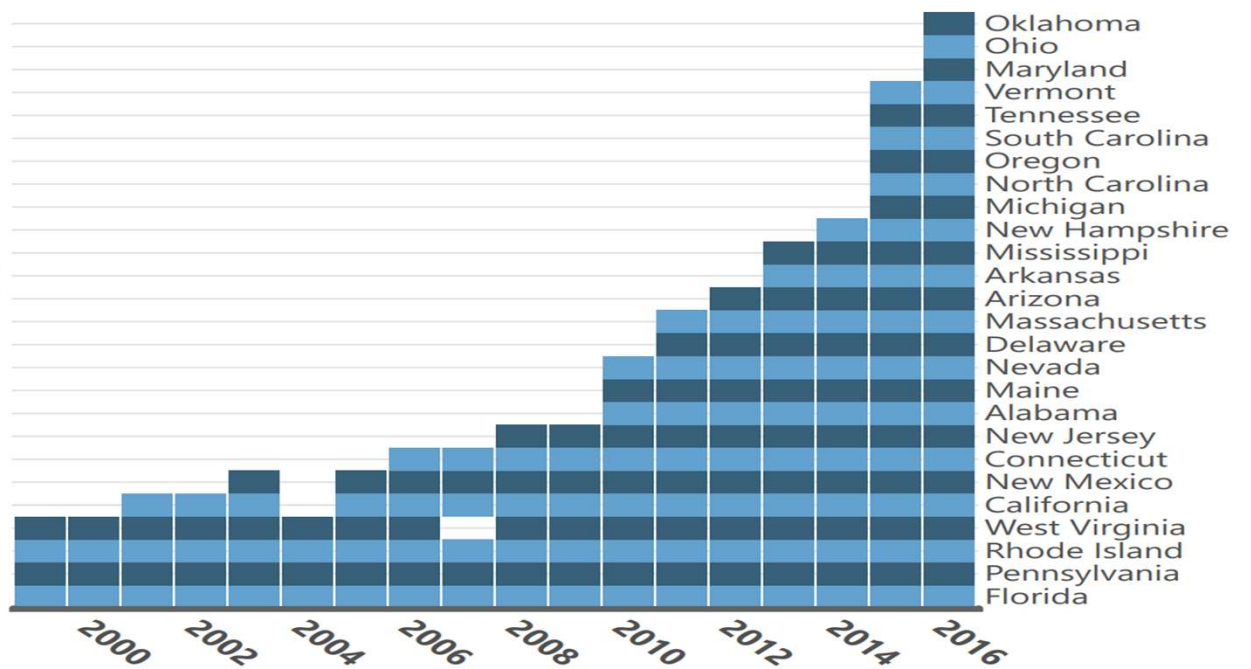
MULTICULTURAL/DIVERSITY



WHITE CUSTOMERS ARE DECLINING



- More White deaths than births
- In 2000: 4 states - 2016: 26 states

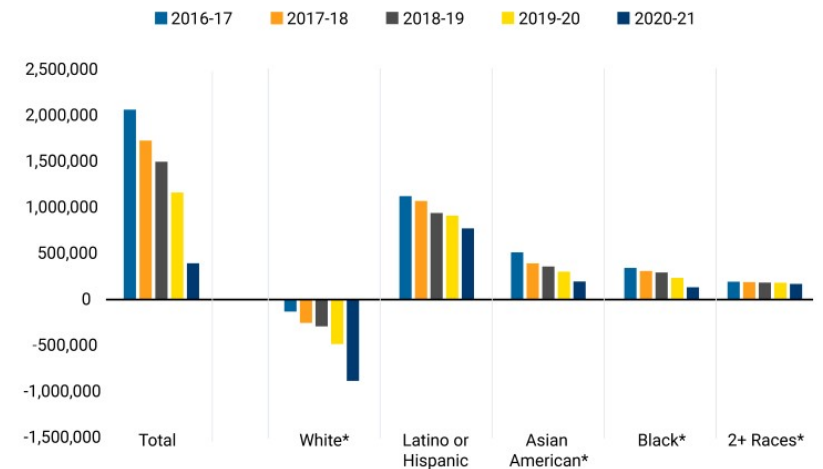


WHITE CUSTOMERS ARE DECLINING



- The growth is coming from multicultural population
- Our population would be shrinking if we didn't have multicultural growth

FIGURE 1
Annual U.S. population change, 2016 to 2021
 U.S. total and select race-ethnic groups



Source: William H. Frey analysis of Census Bureau population estimates July 2016 to July 2021
 *Non-Hispanic members of race; Asian American includes Native Hawaiian and Other Pacific Islander

B | Brookings Metro

MAIN DRIVERS TO GROWTH



LONGEVITY



BIRTH RATE



MULTICULTURAL/DIVERSITY



DIVERSITY: NO LONGER MINORITIES



IS THIS QUEENS, NY OR CHINA?

There are 8 Chinatowns in New York alone



A woman in a light-colored shirt and blue jeans stands at the front of a meeting room, presenting to a group of people seated around a long wooden table. The room features a large window with a grid pattern, a potted plant, and a projector screen. The audience includes a man with a beard and a woman with long blonde hair. Laptops and documents are on the table.

SEGMENTATION WOMEN, MILLENNIAL & MULTICULTURAL

POWER OF WOMEN

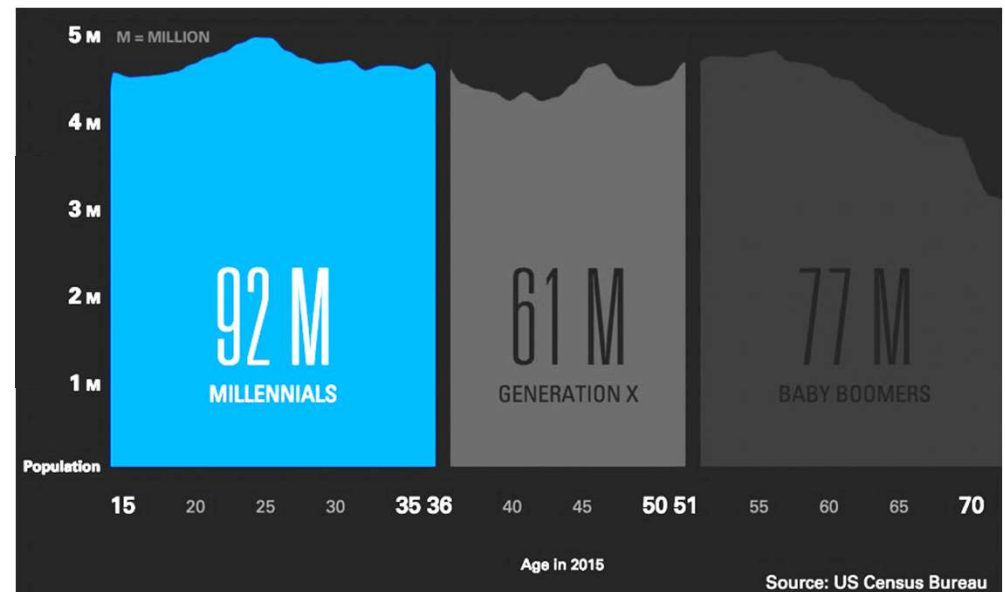
- Women control \$7 trillion in U.S. spending
- Women account for 85% of overall consumer spending in the U.S.
- 47% of U.S. workforce consist of women
- Women now own 40% of America's privately owned businesses
- 60% of all personal wealth in the U.S. is held by women
- Estimates suggest that by 2024, the average U.S. woman will out-earn the average man

Source: Small Business Association, U.S. Census/Pew Research, State of Women Owned Businesses 2015



THE MILLENNIAL SEGMENT

- 92 million – largest consumer group in the U.S.
- \$600 Billion annual spending – \$10 trillion lifetime
- 45% of millennials are multicultural
- Millennials are 247% more likely to be influenced by blogs than company experts



HOW MANY GENDERS ARE THERE?

Agender
 Androgyne
 Androgynous
 Bigender
 Cis
 Cisgender
 Cis Female
 Cis Male
 Cis Man
 Cis Woman
 Cisgender Female
 Cisgender Male
 Cisgender Man
 Cisgender Woman
 Female to Male
 FTM
 Gender Fluid
 Gender Nonconforming
 Gender Questioning
 Gender Variant

Genderqueer
 Intersex
 Male to Female
 MTF
 Neither
 Neutrois
 Non-binary
 Other
 Pangender
 Trans
 Trans*
 Trans Female
 Trans* Female
 Trans Male
 Trans* Male
 Trans Man
 Trans* Man
 Trans Person
 Trans* Person

Trans Woman
 Trans* Woman
 Transfeminine
 Transgender
 Transgender Female
 Transgender Male
 Transgender Man
 Transgender Person
 Transgender Woman
 Transmasculine
 Transsexual
 Transsexual Female
 Transsexual Male
 Transsexual Man
 Transsexual Person
 Transsexual Woman
 Two-Spirit





CHALLENGES AND OPPORTUNITIES



INDUSTRY CHALLENGES

- Cost of transportation, fuel prices, and supplies
- Smart supply chain (digitally intelligent)
- Shortage of talent/labor (warehousing and transportation)
- Unusual competitors
- Developing and retaining talent
- Workplace flexibility expectations



INDUSTRY CHALLENGES

- 75% rise in number of T&L company failures
- 15,005 freight transport businesses failed in 1Q 2022, compared to 8,590 in the same period in 2021
- Road and courier activities (unlicensed carriers) are the two main sectors primarily responsible for the closures
- Least ROI from intelligent automation, process automation (57%), artificial intelligence (52%), and document process (39%)

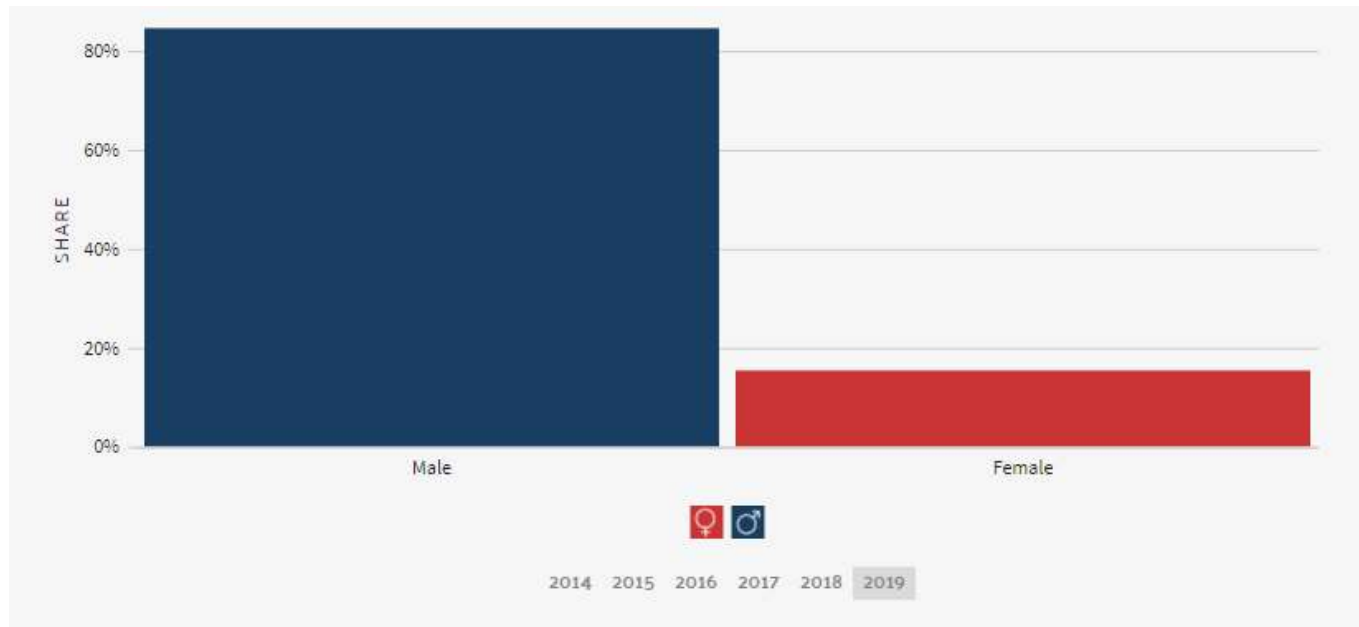
Source: DeliveryX, ONS Business Demography



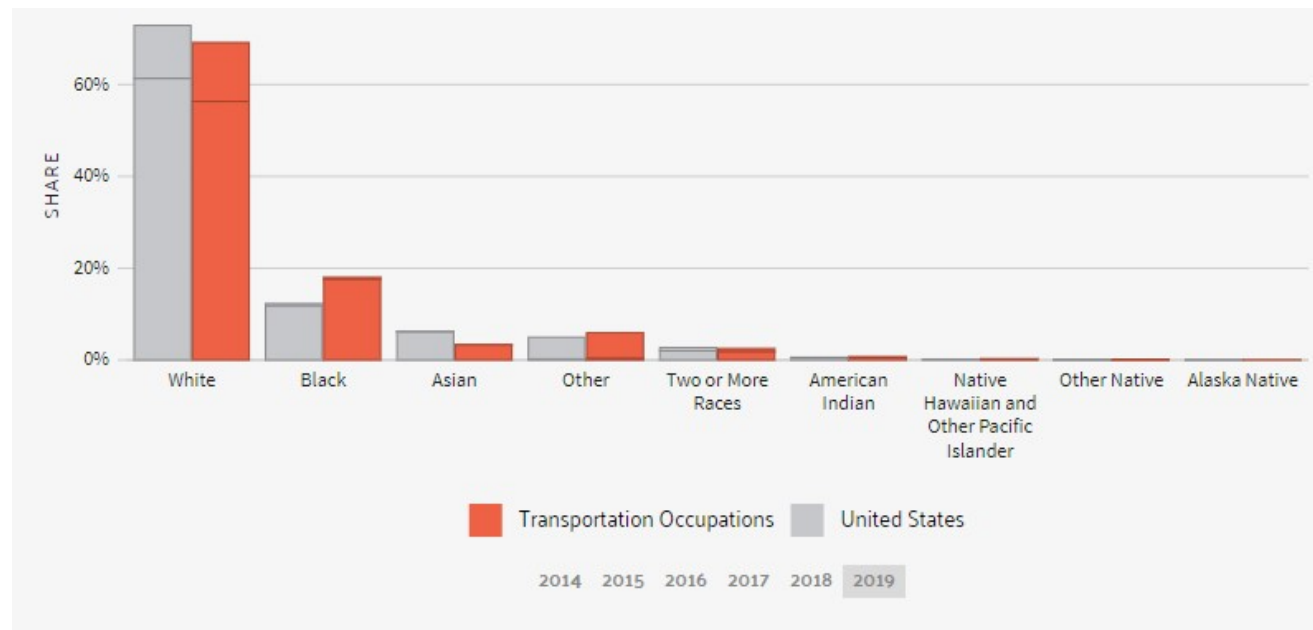
TRANSPORTATION OCCUPATIONS

- 2020 WORKFORCE: **5.65 Million**
- AVERAGE AGE: **45.4**
- AVERAGE SALARY: **\$46,773**
- AVERAGE MALE SALARY: **\$49,203**
- AVERAGE FEMALE SALARY: **\$32,491**

GENDER REPRESENTATION IN TRANSPORTATION

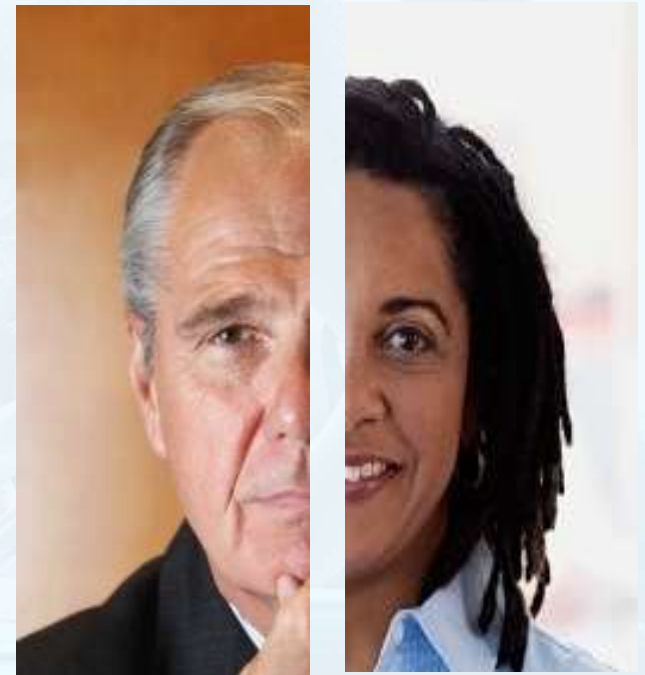


ETHNIC REPRESENTATION IN TRANSPORTATION



THE GREAT DISCONNECT

- There is a huge gap between the distribution and the customers
- The world around us is changing rapidly but rules of our engagement have not changed
- Our workforce does not reflect our changing marketplace
- Our products and services are not reflective of our changing customers



THE GREAT DISCONNECT – DISTRIBUTION/CUSTOMERS

THEN



NOW



EXECUTIVE REPRESENTATION

Asian Americans – A Look into the Future

Asian American CEOs who are leading some of America's most powerful organizations



Satya Nadella – CEO, Microsoft



Indra Nooyi – BOD at Amazon.com
Former chairwoman and CEO of Pepsi



Arvind Krishna – CEO, IBM



Sundar Pichai – CEO, Google Inc.



Shantanu Narayen – CEO, Adobe Inc



Ajay Banga – CEO, MasterCard

ICONIC AMERICAN COMPANIES OWNED BY ASIAN INVESTORS

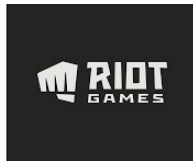
Asian Americans – A Look into the Future



GE APPLIANCES



Forbes



STRATEGIC
Hotels & Resorts



MOTOROLA



Source: Chris Morris, Special to CNBC.com May 2017

UPENDED COMPETITIVE LANDSCAPE





OPPORTUNITIES

- 18.7% (1 million) of U.S. businesses are minority owned
- 19.9% (1.1 million) of U.S. businesses are women owned
- 42% (26.6% in 2001) of U.S. truck drivers are Latinos, Blacks, and Asian Americans
- Hire more women and minority recruiters

Source: U.S. Census Report 2021

NEW AMERICA - THE BUSINESS CASE



Women
168 Million



Millennial
92 Million



Hispanic
American
62 Million



African
American
47 Million



Asian American
24 Million



LGBTQ
20 Million

BUYING POWER

\$7 Trillion

\$ 2.5 Trillion

\$1.9 Trillion

\$1.6 Trillion

\$1.3 Trillion

\$1.4 Trillion

Source: Statista, 2019, Kantar, 2017, The Williams Institute, UCLA School of Law, 2019, U.S. Census/
Neilson/ Bloomberg

RECOMMENDED APPROACH

NEXT STEPS

1 Analyze

- Business assessment?
- What are the gaps?
- Is there a commitment?

2 Strategize

- Identify key partners
- Develop diversity strategy
- Secure blessings

3 Implement

- Plan and execute strategy
- Monitor regularly
- Communicate



COMPETITIVE ADVANTAGE

- Price
- Product
- Service
- **Can Diversity be your competitive advantage?**



FINAL THOUGHT

- Diversity & Inclusion is not an initiative, it is the core of your business
- Companies not adapting to change will lose the competitive advantage
- The cost of doing it is less than not doing it
- The industry will not go back to the old normal, expect major changes and expect them soon

KEY QUESTION

What is Your Growth Strategy?

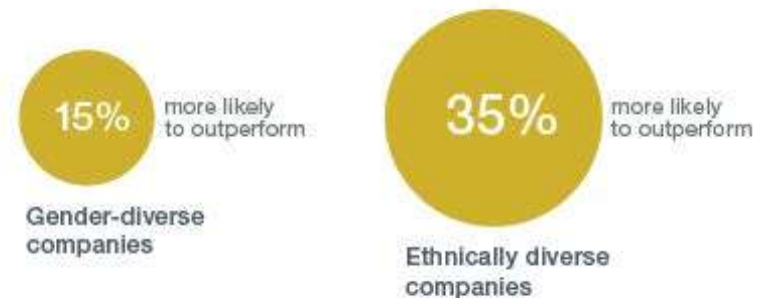
You may be leaving out over 2/3rd of the U.S. population!

THE BUSINESS CASE

- To develop a unique competitive advantage through diversity
- To become a sustainable organization through inclusion
- To drive business growth and become an industry leader through Diversity & Inclusion

Diversity's dividend

What's the likelihood that companies in the top quartile for diversity financially outperform those in the bottom quartile?*



*Results show likelihood of financial performance above the national industry median. Analysis is based on composite data for all countries in the data set. Results vary by individual country.

Source: McKinsey analysis

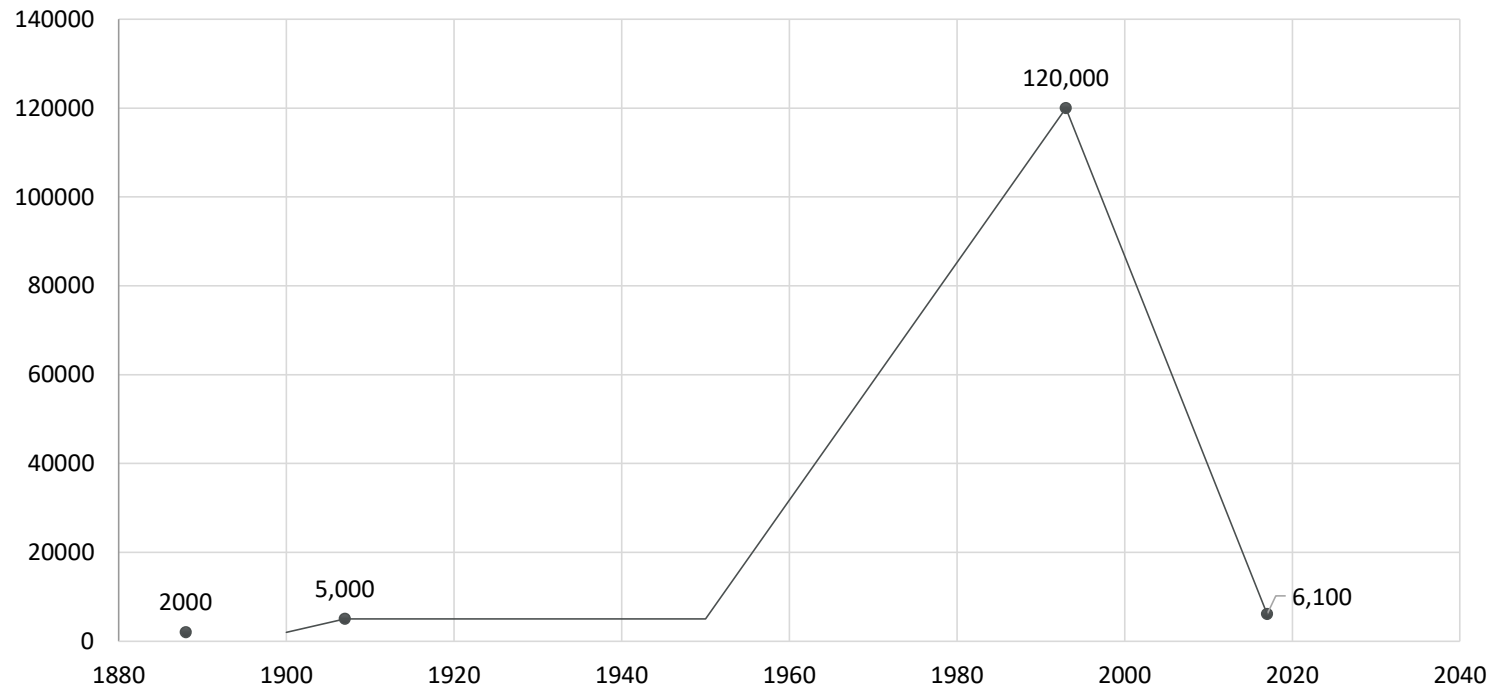
KEY STAKEHOLDERS

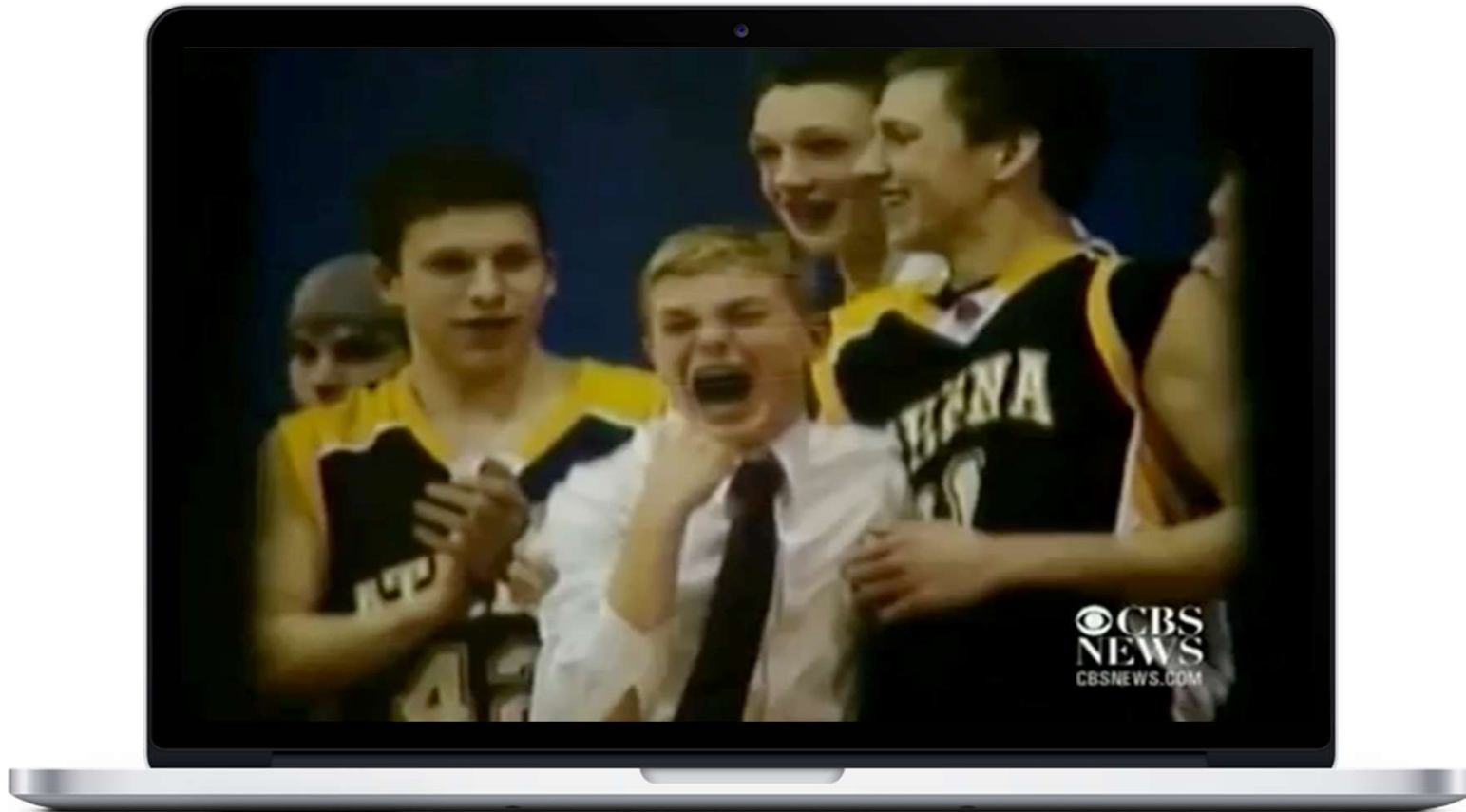


THE RISE AND FALL OF...



Employment Timeline





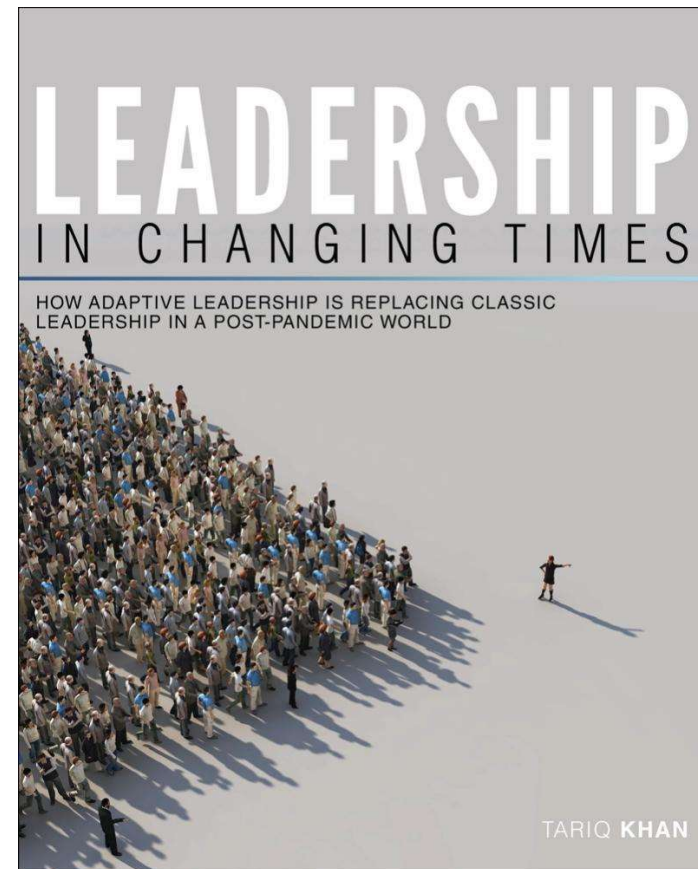
THANK YOU

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COMPETITIVE ADVANTAGE THROUGH DIVERSITY

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