

'IT ALL STARTS WITH THE BOARD'

THE SEATTLE-BASED BLACK BOARDROOM INITIATIVE AIMS TO DIVERSIFY CORPORATE BOARDS AND IMPROVE BUSINESS PERFORMANCE

BY TODD MATTHEWS | ILLUSTRATION BY NAZARIO GRAZIANO

Craig Dawson boasts a lifetime of achievement.

He launched and runs his own payment remittance company, Retail Lockbox. He is on the board of the Seattle branch of the Federal Reserve Bank. He has held leadership roles with several influential business organizations, including the Washington Roundtable, the University of Washington's Consulting and Business Development Center, and the Rotary Club of Seattle.

Try as he might, though, he was stymied every time he made a bid to serve on a board of directors for a large, publicly traded company.

"It's pretty difficult for a Black person to get on a corporate board," says Dawson, also a former president of Tabor 100, a nonprofit organization that creates initiatives for CEOs of minority-owned businesses. "The boardroom is where you can make an influence and change the way the world works.

I've been trying to make a difference for a long time regarding growing Black businesses and opportunities for Black people. So, serving on a corporate board was just a natural step."

Dawson has now achieved that goal, joining the board of woods product manufacturer Boise Cascade last May, thanks in no small part to the Black Boardroom Initiative, or BBI. Seattle-based law firm Perkins Coie (with help from Deloitte Consulting) launched the effort last year to increase the number of Black executives on S&P 500 corporate boards. Dawson was one of 23 executives in BBI's first class.

The initiative aims to increase the number of Black executives on corporate boards across the United States to one in eight by 2028. It expanded to New York City earlier this year with plans to expand to other major cities. BBI encourages people to nominate Black professionals to participate in a free, seven-month, spring-to-fall program that offers education and



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training in preparation for serving on corporate boards. It also connects program participants to public companies with board openings.

In its first year, BBI garnered sponsorship from several prominent Seattle-area companies, including Amazon, F5, Microsoft, RealNetworks, Starbucks and Zillow.

Public company boards enjoy “diversity of opinion, stronger corporate governance and the encouragement of diversity throughout an organization,” says James Williams, a coleader of the initiative and Perkins Coie’s Seattle office managing partner. “There are many benefits.”

In 2019, approximately 13% of Americans self-identified as Black, while only 6% of Black people served on the boards of American S&P 500 companies, according to information compiled by the U.S. Census Bureau and the Black Enterprise, an organization that tracks Black board representation and participation at America’s largest publicly traded corporations.

One-fifth of S&P 500 corporations — 500 large-cap companies traded on American stock exchanges — had no Black board members in 2021. Black directors comprised slightly more than 4% of Russell 3000 board members in 2019.

The Black Boardroom Initiative is overseen by 20 business leaders — an eight-person advisory team and a 12-person management team — with experience working at or serving on boards of various companies including American Airlines, BECU, the Bill & Melinda Gates Foundation, Capitol One, Costco, Deloitte Consulting, eBay, Perkins Coie, RealNetworks and others.

BBI is an offshoot of OnBoarding Women, another initiative led by Deloitte Consulting and Perkins Coie. Launched in 2014, OnBoarding Women offers training, education and networking opportunities to increase the percentage of women-held board seats in Washington state.

According to Perkins Coie Associate Trey Chenier, the percentage of women on public company boards in Washington state has doubled the past eight years to 28%. OnBoarding Women alumnae have landed seats on more than 85 boards across America.

When people discuss boardroom diversity, the focus is often on whether companies are meeting demographic goals of representation. Often overlooked is diversity’s built-in ability to broaden viewpoints that can lead to innovations, expanded opportunities and the chance to meet client needs otherwise missed.

“We hear regularly from our clients and program presenters that having a vibrant, diverse group of board members leads to better decision making,” Chenier notes.

Chenier and his colleague Pat Ogawa, a managing director of Deloitte Consulting, point to the latest edition of the Alliance for Board Diversity’s Missing Pieces Report, a 44-page census of diversity on Fortune 500 boards. The report notes that minority board members offer unique skills and experience in corporate sustainability and socially responsible investing, two areas essential to a company’s economic growth.

At Perkins Coie — an international law firm that employs more than 1,200 attorneys in offices across the U.S. and Asia — most notable leadership roles are 30% diverse, Chenier says. Its six-person management committee, which oversees day-to-day operations, is 50% diverse and includes one Black partner. Its 17-member executive committee that renders final authority on important issues is 59% diverse and includes two Black partners.

“It all starts with the board,” says Perkins Coie’s Firm Managing Partner William Malley, who is based in Washington, D.C. “Corporate leaders, shareholders and employees are looking to CEOs and boards to take action against racism and to promote greater diversity.”

Information compiled by Black Enterprise shows programs like OnBoarding Women and BBI are working. Among the S&P 500, there were 425 Black corporate board members at 399 corporations in 2021, compared to 322 Black corporate directors at 307 companies in 2019, according to the Black Enterprise. Similarly, the number of companies without Black representation on their boards declined by 47% from 2019 to 2021.

These are promising markers. But Executive Leadership Council President and CEO Michael C. Hyter, writing in the Missing Pieces Report, raises an important, cautionary point: “Are we experiencing a trend, or is this the beginning of sustainable progress?”

For Dawson, BBI’s network of CEOs, company sponsors and, more importantly, sitting public company board members opened the door to that corporate board role he sought most of his career. Moreover, the seven-month program offered real-world experience and training on what to expect while serving on a corporate board. He’s more prepared than ever.

“Obviously, I’m one person, one board member,” he says. “Can I help make Boise Cascade more competitive, more profitable and make better decisions around the governance of the organization? That’s sort of the No. 1 thing.”

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