

BEAC BRIDESON.

The Honorable Jay Clayton Chairman,
Securities & Exchange Commission
100 F Street,
Northeast Washington, DC 20549,
United States

17 October, 2019

RE: File Number S7-11- 19

Dear Honorable Chairman Clayton,

Thank you for the opportunity to provide comments on the Modernization of Regulation S-K, in particular on human capital disclosure requirements.

My name is Bec Brideson, and I am a gender-intelligence consultant at BecBrideson.com I have seen the oversight of both genders lead to significant losses of financial capital - due to a resistance to embrace the diversity of human capital, or oversight of the nuances involved in better understanding the segmenting process of behaviour within the different genders.

In their report "Women the next emerging market" Ernst & Young documents the numbers of highest influence of discretionary spend - as much as 75% in favour of women making the decisions. When we have seen of how dominant women are as consumers, you might think we should have even more reason to be very gender aware. And that given advertisers and marketers are responsible for knowing their target audiences inside and out, we should have no such lack of visibility and vision in regards to what women want.

In my first thirteen years working in advertising agencies it seemed to me that if this is how companies think about and treat the women inside their building, how could they possibly have empathy with the women outside of their business?

Thankfully we have seen a couple of businesses bucking the trend and firmly holding ground that is needed to maintain relevance both today and in the future.

Greater diversity leads to greater creativity leads to better profitability.

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In the US business CMO's Antonio Lucio of HP, Pepsi's Brad Jakeman and Ann Simonds of General Mills all asked for reflection of their consumers in their advertising agency teams. They have finally exercised their power as the client to demand a smarter approach to their business. Hopefully, this is just the beginning and the catalyst that will bring about some change.

It is this kind of perspicacity and willingness that is required to redesign the system so that it better understands women with their unmet and overlooked needs as consumers.

Yes, this does mean bringing enlightenment to the old way in which not only the marcomms industry has been operating, but the way in which industry does operate today.

If business is the facilitator for greater social change, then those that want to compete in the future and be valued by diverse audiences will have no option than to begin this transformation. This includes the way we retain and treat women in the workforce, as well as the amount of women in the workforce in positions that can create awareness and education, as well as be given the platform in which to influence from a female perspective.

Avivah Wittenburg Cox founder of 20-first discusses the concept of the "glass ceiling" being denounced in favour of "gender asbestos". This describes the gender bias in some business that seems to have an effect that is potentially toxic to its environment, without the people in the building necessarily recognising this is happening. More often than not, it is only after the symptoms appear, some time after the fact, which the diagnoses can be made.

It would seem that the facts and figures about women and their economic worth and value have still not been enough factual evidence enough for real change to manifest. Given that change is harder than we think, even putting more women in place is not enough if the motivation from the company is not dedicated to really understand the nuance and intelligence required to truly leverage the sales potential of a female market.

It is financially of interest for any organisation to show commitment in time, energy and budget to ensure that more males learn to see the world through sex/DNA differences and through a filter, which can create more growth and profits.

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In most business cases, and with the majority of CEO's being male, the view is from a male vantage point. This naturally has dictated the behaviour and informed the company strategy, so it is only natural that course correction will take considerable commitment.

But it's not just the lack of perception in business and politics that is at question. In 2014 Dr Alyson McGregor addressed an audience at TedX Providence on the gender bias that has cost women's lives. 80% of the drugs that have been withdrawn from market are due to the side effects on women because most of the clinical trials are exclusively made on male cells. Female cells are ignored.

Using the example of Zolpidem, a prescription for sleeping difficulty, Dr McGregor reported that many women may have had too much of this drowsy drug in their system and potentially driven vehicles whilst still under the influence of it the next day. Only after the drug had been in market for some years, was it found that women metabolise the drug at a different rate to men. A lethal cocktail of oversights, yet somehow it went to market without such research. She asks us to consider how males became the medical framework for research. And the answer was that it was the way it was historically done.

It would appear that many industries and fields within our society are unconsciously seeing the world through a male filter. The prevailing attitude has been that men are the go-to model on which we make decisions and norms or rules.

There is an urgent need to uncover and begin to implement change in what gender intelligence looks like: in the way we view sex and gender in relationship to commerce and business, and the way in which it operates with women not only internally, but externally too. The way business and brand presents to the public, to its consumers and to society at large should be looked at from this new vantage point of female enlightenment.

When you consider how business attitudes and actions translate to the way the world operates, then the opportunity to connect with a female market is a necessary new growth strategy.

Given women have historically stayed in the home, cooking, cleaning and reproducing it is important to review how history has dictated our

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current paradigm. Women's Darwinian role was nurturing, serving the needs of the household and facilitating the smooth running of family life. Men went to work in coalmines, on farms and in factories in pre-industrial days and then during the industrial boom new opportunities led to financial and commercial businesses offering all scopes of work, for men to pursue a lifelong career.

In looking at this post-industrial global economy we can appreciate retrospective history and labour markets and the impact on women and how they have entered the workforce over the past century. Society's traditional women-at-home, men-at-work programming still affects how some behave and think about business now.

Gender and Business, a paper in the late nineties by Kathy Peiss describes the past era when most male executives were perfectly comfortable with blatantly excluding women from positions of power. This is not a reference about feminism, rather an explanation about the provenance of women in the workforce.

Though some women had entered employment post-suffragette era they usually became fashion buyers, telephonists and made up the typing pool: there was a paucity of women in the serious stuff or the big business. In 1935 Archibald Macleish wrote about this in Fortune magazine. He observed that there was an absence of women reinforcing that their place was in "general business" but not in the "vital industries". Ironically nearly one hundred years later, a 2016 Harvard Business Review article published the top performing 100 CEOs, and only two were women.

Macleish acknowledged that women had pursued business in areas that were more feminine: fashion, cosmetology, department store buying and women's magazines. And he emphasised that these were not fundamental, indisputable and corporate, mass-production industry with technological innovation and business strategy.

They were "feminine pursuits" as if somehow lacking the legitimacy of the more masculine areas for employment. He was quoted saying, "Elizabeth Arden is not a potential Henry Ford. She is Elizabeth Arden, a career in itself but not a career in industry".

To this end, it is these kinds of shared opinions that have perpetuated over time about the business nature of women and explains how some of the misunderstanding about females has come about. Which

creates the need to transform from the old-world masculine view of business, as well as find ways to better market to them in a way that women will respond.

The sexual divisions of workplace employment help us to see that we have a problem, which still manifests today in misunderstandings about women. This is leading to a loss of real world realities about the modern woman and how businesses need to operate today, to ensure they are not missing their opportunities to earn the female dollar.

We have inherited a long workforce history that was built by men. It is, therefore, no surprise that a gender bias in the business would emerge in favour for the blokes. So naturally there will be times where male privilege reigns and using a wrecking ball to dismantle it will not bring about any solution any faster.

Diversity translates to innovation, improved outcomes and bigger profit.

Catalyst, McKinsey and Ernst and Young present countless in-depth studies that show diversity in all forms including gender, race and disability will yield upwards of 15% greater returns.

In 2015 McKinsey published a study “Diversity Matters” where they examined data sets for 366 public companies across range of industries in Canada, Latin America, UK and US. Companies in the top quartile for gender diversity were 15% more likely to have financial returns above their respective national industry medians. Companies in bottom quartile, both for gender, ethnicity and race, were statistically less likely to achieve above-average financial returns than the average companies in the data set - they are lagging, not leading.

In the UK, greater gender diversity on the senior-executive team corresponded to the highest uplift in our data set: for every 10% increase in gender diversity, EBIT rose by 3.5%.

In 2016, Peterson Institute for International Economics & EY created a study called Is Gender Diversity Profitable? They unearthed evidence from a Global Study finding that companies with at least 30% female leaders had net profit margins up to 6% points higher than companies with no women in top ranks. It examined 22,000 public companies across 91 different countries in 2014 about half of which had no female

executives. Moreover 60% had no women on their boards and fewer than 5% had female CEOs.

A finding that shows that changing the old guard even when greater profitability could be an outcome for a business is not as simple as publishing great studies.

Over the last decade this study from Catalyst in 2007 titled “The Bottom Line: Corporate Performance And Women's Representation On Boards” found that Fortune 500 companies with at least three female directors have:

- 42% higher return on sales
- 53% higher return on equity
- 66% return on invested capital.

They also found stronger-than-average results on financial performance where at least three women serve on a company board.

In gender studies, the financial performance of companies can be quantified and related to companies, across most sectors, which have chosen to deliberately include higher numbers of females to their boards of directors.

The bottom line is that you are more likely to outperform your competitors if you have females on your board.

So with results like these, and studies to prove it, why are these figures not being embraced and change happening stat?

The financial benefits of gender diversity are pertinent to most business, so why is this not being seen everywhere? How can it be that Boards furnished with these facts do not insist that more women in senior ranks are not immediately promoted or employed?

The results of getting it right in business to make more money then the following five factors should excite you equally and be greater motivation for connecting with your female audience:

- increased average spends, repeat business and positive word of mouth = greater profits
- customer acquisition and retention = customer loyalty
- a wider pool of talent attracted to in your business = balanced workforce and thriving culture

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- diversity and innovation that go hand in hand and create business breakthrough
 - Neuroscience shows women's constant and deliberate exposure to brands in the market makes them the most engaged customer

Viewing business through the female lens means getting the right focus on the value of women both internally as a workforce asset and externally as the end user or consumer that you are in service of.

In work I do with businesses, the first step is undertaking a gender audit to establish how we will be best served to move forward. Many companies with "gender equal or gender neutral" audiences do not look at male **OR** female but rather at male **AND** female. So imagine how empowering it is for them to know just how many dollars are actually available from the potential pool of women?

After this, or if the business already has a female only audience, the second step is an audit of the many touchpoints across their business, including internal and external communications to establish gender favouritism or bias and illuminate areas where growth may be getting stymied.

Finally we review existing organisational structures and processes as well as look back at the heritage and original DNA of the business to establish if there is any further gender or hidden bias operating at any level of the business that could effect it's ability to fully realise its relationship with women.

The idea is to establish a working group that can champion women at the centre of it's business. It's a daring and bold filter to view business through, but the numbers that are available to you should make the process even more worthwhile. When we see women considered as centrally important to a business we will begin to see transformation.

Despite the studies, the endless articles and books, the examples of resentment or outright rejection of this transformation is palpable. Many business still exist on a "command and control" male paradigm. If not overt then a very unconscious bias is maintaining its strong hold against a natural evolution to a more bespoke society designed to be inclusive, if not cater more, to the needs of women.

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Walking through the halls of industry, business and the professional world can sometimes feel like walking through the same old status quo, life remaining just as it is, rather than making way for an evolved society, which embraces its cashed up females.

What makes up the DNA of those that want to see progress and those that put roadblocks in the path?

Is it role modelling, is it a lack of comfort with transitioning into a new brave future? I often wonder how those of the status quo persuasion would experience change if they could life-swap with a woman to truly experience the world through her perspective.

I think this experience would serve to educate and expose the realities: better still and of more excitement, the opportunities they would be privy to. And with this improved vision, we could all see how we can be more meaningful to women, capture more of the share of dollars and build an enduring relationship with them for generations to come.

Sometimes it feels as if the body is rejecting the organ.

Of course we cannot be insensitive or naive to not consider the feelings it would evoke for people who have had something (like privilege) for so long to have it removed or withdrawn from them. It would feel disempowering, unfair and discriminatory. Right?

So, no one wants to inflict this on anyone who palpably has more to offer and loses their opportunity to do so through a broken system. Fixing these machinations might just come through introducing "more seats" around the table, opening the quota process until balance is achieved, and implementing eye-opening changes to our biases that include considered and deliberate acts of innovation and evolution. It is a shift in perspective from male lens to female lens, to co-parenting rather than this being seen only as a woman's role.

The facts are facts, they are irrefutable and yet the change has been infuriatingly misunderstood, slow or perhaps lacking champions. What would make this a more palatable subject?

As the new generation of men come into the workforce these outdated attitudes will have to change. CEOs have daughters, and no one wants to see their daughter on the receiving end of an unjust system.

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Examples of male-bias exist in so many layers of our life. But when the economic scales tip in the favour of women and the numbers show them to have the control over the majority of the spend, it is time to review the way business as usual is being done.

Gender is a business imperative and not a “women’s issue”. There are two massive changes taking place in our economic marketplace. One being finding ways to better connect with the consumers: the person business sells to. The other is a human talent equation.

Women are graduating at a global average of 60%. Both of these factors can liberate growth and breakthroughs for businesses that are still thinking and behaving with traditionalist perspectives.

Why the issue of quotas is rejected fails to make sense when it would bring the much needed change and diversity at a rapid rate. The argument of meritocracy does not show long-term vision and really highlights what that short-term but prevailing bias looks like.

If we are to look at change coming from the top, if we are to see Boards take control of the issues we might see action come faster than before. Grayson Perry suggested in his article in The New Statesman “The rise and Fall of the Default man” that the outcry against positive discrimination is the wail of those who are having their privilege taken away. For talented black, female and working-class people to take their just place in the limited seats of power, some of those Default Men are going to have to give up their seats”.

Surely it would make sense to put more seats around the table than expect those who have earned their seat, through whatever means of privilege or hard-work, to give up their place?

Boards can operate with as many people as necessary. In the past the trend was to favour larger boards however in recent times the smaller board was favoured with a belief that decision making and consensus was more effective. And whilst it has been argued by some, that it would cost the Boards too much to add extra seats this feels like an excuse to keep the status quo.

The extra profit made with a shift toward diverse thinking would soon see this returned in profit, as McKinsey and Catalyst suggest in their report published in 2006. It was found that the ideal number of women

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needed to bring effect on a board was found to be three. At one, the woman is token and seen as providing a “females perspective”. Two women starts it shift this as the men in the room hear that women can and of have differing perspectives and they go from being viewed as “woman” to individual.

Coupled with the fact that women have a more collaborative nature, they are also able to support the perspective of different opinions in the room and finally critical mass is found at three or more women on the Board. At this number, where a Board is made up of under ten people, women are not necessarily seen as outsiders and can have more impact and influence on discussions and outputs.

Some of the most rapid changes in today’s fast paced world of innovation have come at unexpected and unprecedented speeds. It took over twenty years for the radio to have a large commercial listening audience yet just 4.5 days for Pokemon Go! to reach trillions of people around the globe. This says that markets in this age are volatile and can change quickly, rapidly and virally. Ergo, women and female consumers collectively have the power to give your brand a boom or bust result.

The consideration of what strengths and insights women will bring into the world of business is not known because it hasn’t happened in its most fully realised way yet. Creating diversity is going to mean making some intelligent decisions for outcomes that produce longer-term profitability and true survival for business.

As the influence of the female consumer grows, companies that hire women at Board level, C-Suite and more will be the ones set up for future success.

There is an adage around racial division and inequality that goes something like this: “Slavery did not end in the U.S. because black people thought it was a bad idea, it ended because white people thought it was a bad idea.”

And herein lies the dilemma facing business, facing women and facing the future dollars that brands could earn from simply understanding and catering to the unmet, unrealised and undervalued dollars that are largely spent by the female consumer.

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When men drink from this kool-aid and realise there is only financial upside, the tipping point will be fast. We can only hope that soon womankind and mankind can appreciate the benefits of having full visibility.

Thank you for the opportunity to provide the Commission with our thoughts, perspective, and expertise. We are happy to provide the commissioners and staff with any additional materials that might be of interest.

Sincerely,



Bec Brideson,
CEO Supertap

Founder www.WomenWithAgency.com

Founder www.BecBrideson.com Gender Intelligence

¹ Australian Workplace Gender Equality Agency , 16th November, 2016

² United Nations Development Programme, Human Development Report 2015