



Armstrong
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Better Together: *Investing in Efficiency Both In-House and Outside*

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Client Goals

- **What does efficiency look like for clients?**
 - Educating younger lawyers that have lower billing rates to handle time intensive work
 - Focus on staffing with a diverse team that brings different viewpoints/methodologies to the table
- **What are law firms missing?**
 - Creating incentives for all lawyers to financially benefit from the client relationship
 - Shared credits
 - Intentional training
 - Giving young lawyers a seat at the table even if the client cannot be charged
 - Thinking long-term

Diversity v. Inclusion Generally

- **Diversity v. Inclusion: Diversity is providing statistical support for those employed by the firm; inclusion is ensuring all lawyers, including diverse lawyers and women, get opportunities to grow and be heard.**
 - Diversity is about things you can see; inclusion is about feeling, once you've been invited in, that you are a part of what you've been invited into
 - Diversity should be considered broadly to mean ethnic, gender, geographic, education, experiences, perspectives, and even political views
- **Benefits**
 - Inclusive teams hear all viewpoints, and analyze issues more comprehensively
 - Inclusive teams grow diverse lawyers so they can be leaders for the firm and clients on their most challenging matters
 - Inclusive teams may be able to more quickly recognize and understand broader client goals and get better results
- **Challenges**
 - History

What do the Ethnic Statistics Show?

- **Diverse Senior Associates**

- 1993: 8%
- 2017: 23%

- **Diverse Partners**

- 1993: 2.6%
- 2017: 8.4%

What do the Statistics Show?

2018 Vault/MCCA Survey Results

The latest Vault/MCCA survey results reflect a continuation of many of the trends observed over the last several years:

- Law firms are bringing in more people of color but are less successful at retaining them.¹
- Despite some clear advances for minority lawyers as a whole, progress is uneven among the different racial/ethnic groups.
- Women are making greater inroads into partnership and leadership roles, but minority women enjoy fewer of these successes than their white colleagues.
- Even with the gains recorded over the last decade, especially among new associates, demographic changes have been slow to trickle upward, as law firm partners remain overwhelmingly white and male.

Table 1. Overall Law Firm Demographics*

Demographic	2L Summer Associates	Associates	Of Counsel	Non-equity Partners	Equity Partners	All Partners	All Lawyers
White/Caucasian	67.46%	74.54%	86.69%	87.33%	90.90%	89.94%	82.64%
Asian American	13.57%	11.85%	5.25%	3.82%	3.56%	3.63%	7.51%
Hispanic/Latinx	6.78%	5.15%	3.22%	3.48%	2.54%	2.80%	3.90%
African-American/Black	7.86%	4.53%	2.85%	2.65%	1.87%	2.08%	3.27%
Multiracial	3.64%	3.14%	1.41%	1.03%	0.67%	0.77%	1.91%
Alaska Native/American Indian	0.29%	0.19%	0.20%	0.18%	0.12%	0.13%	0.17%
Native Hawaiian/Pacific Islander	0.03%	0.09%	0.03%	0.13%	0.07%	0.08%	0.08%
Openly LGBTQ	5.16%	3.73%	2.20%	2.01%	1.92%	1.95%	2.77%
Individuals with Disabilities	0.26%	0.43%	0.64%	0.39%	0.39%	0.39%	0.44%
All Racial Minorities	32.18%	24.95%	12.97%	11.29%	8.82%	9.48%	16.84%
All Women	49.88%	46.22%	40.23%	30.36%	20.64%	23.26%	35.70%
Women of Color	18.48%	13.96%	7.03%	4.88%	2.81%	3.37%	8.57%

*Unless otherwise indicated, all data in charts and tables reflect the most recent 2018 survey results.

Statistics can be Misleading

- **The true issue is why are diverse lawyers leaving law firms and why are they not rising to positions of authority?**
 - Statistics are a data point, not an answer
 - Focusing exclusively on statistics in today's legal environment can mask the root problem
- **Law firms are businesses and make decisions based on the bottom line**
 - Statistical focus ensures diverse lawyers are hired, but not necessarily groomed for leadership
 - Focus should be on whether diverse lawyers are:
 - Getting opportunities on challenging matters
 - Getting client interaction
 - Getting financial credit for their work

Statistics can be Misleading

- **Solid proportions of minority associates, but have made little to no progress in improving the diversity of law firms' power structure**
 - “Stickiness” problem
- **Once diverse attorneys make partner, it can be difficult to build a successful practice if they lack relationships and access to potential clients**
 - Sustainable partnerships with clients can offer a solution to the issue, build a bench for the client and create client-centered solutions and efficiencies

What is the End Game?

- **Getting diverse lawyers to the point where they are leaders in the firm, and direct points of contact with clients on their largest, most sophisticated matters**
 - This will drive credits to the diverse lawyers, which will lead to salary increases and leadership opportunities
- **Potential Problem: Clients may not be getting diverse lawyers involved in the right kind of work**
 - Many clients will send work directly to younger diverse lawyers. While laudable, this often is not the client's first tier work.
 - Need current firm leaders, who may or may not be diverse, to commit to training diverse lawyers and sharing credits
 - Need to reward firms who commit to these objectives, by directing larger matters to those firms
 - This will change the cycle
 - Recognize this is a long-term solution, not a short-term Band-Aid

Examples of How Inclusion Works at a Firm

- **Take a diverse team to business development meetings**
 - Let diverse lawyers participate in the presentation
- **Create a diverse team, and:**
 - Make the diverse lawyer the point of contact with the client and/or opposing counsel
 - Train/strategize with the diverse lawyer
 - Give the diverse lawyer substantive tasks
- **When interacting with clients, give the diverse lawyer credit for their work**
- **Always share credits**

Need Intentionality and Discipline

- **Many clients require reporting on the number of hours performed by diverse lawyers or the number/percentage of diverse lawyers on a project**
 - This does not solve the problem
 - Should reward firms developing and rewarding diverse lawyers
- **Requires planning up front**
 - Define tasks/responsibilities
 - Discuss shared originations
- **Must be willing to take significant matters and reward firms that make inclusiveness a reality in the workplace**
 - Law firms will change when the economics require it

Examples of How Inclusion Works Outside the Firm

- Get buy-in from local leaders
- Activate regional networks
- Listen to the client's needs and identify critical skills for lawyer development
 - Shifting focus
 - Understanding the business
 - Making the sale
- Ensure access to decision makers
- Measure results

Examples

- The Coca-Cola Company
- DaVita
- Mass Mutual

Questions and Answers

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