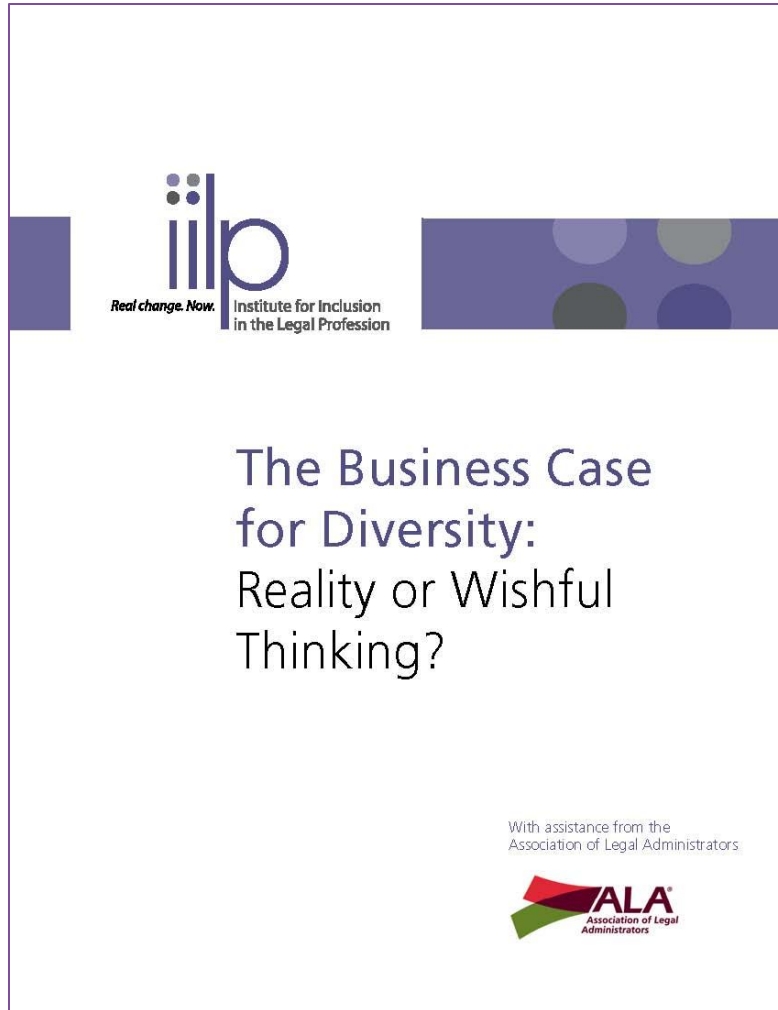




The Business Case for Diversity: Reality or Wishful Thinking

Fewer walls, more doors.

Business Case for Diversity



Provides the first hard data on the business case for diversity.

Respondents:

- 52 corporations
(10.4% of Fortune 500 corporations)
- 391 law firms
(65.8% of firms with 501+ lawyers and
39.8% of firms with 251-500 lawyers)
- 1,032 diverse partners

Offers an unprecedented foundation for thoughtful and meaningful discussion.

Business Case for Diversity

- Conventional wisdom:
 - Corporate clients desire greater diversity among their outside counsel. They reward (or punish) law firms that fail to provide them with the diversity they desire.
 - Law firms wishing to keep these clients satisfied and attract additional business give more active support to internal and external diversity efforts.
 - Diverse lawyers have an added advantage in generating the business they need to achieve partnership and rise to higher levels within their firms.

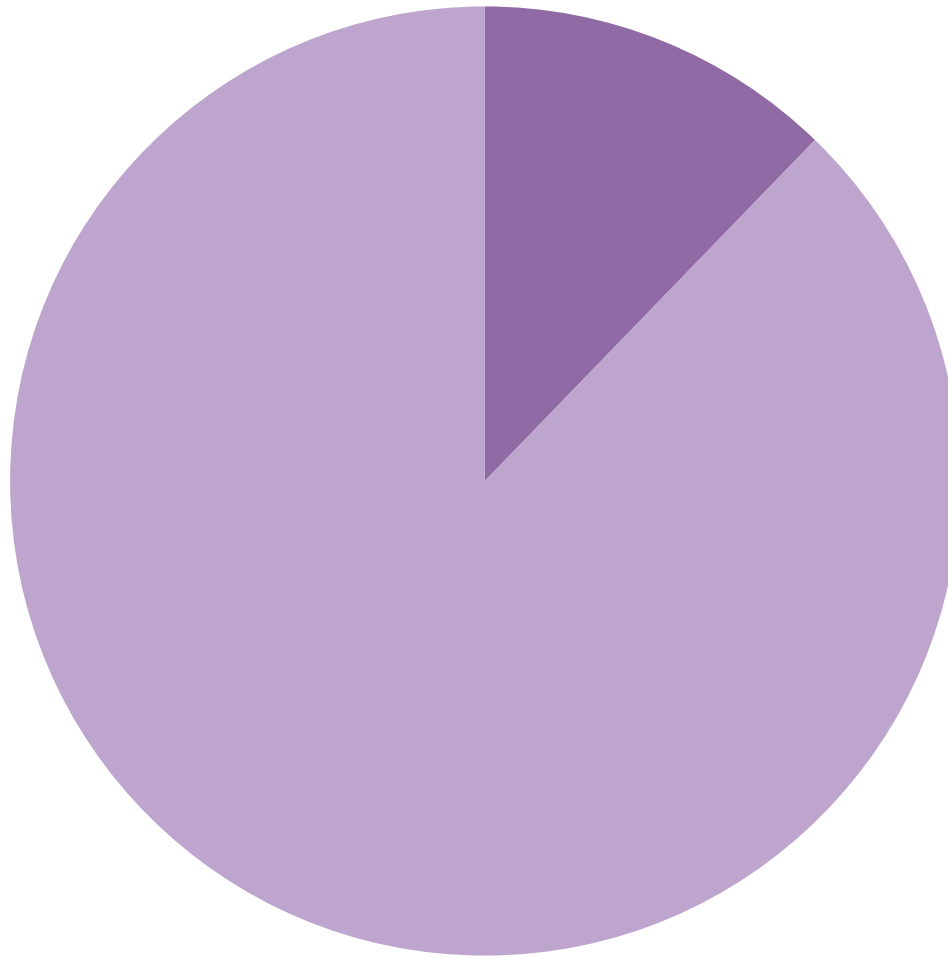
Business Case for Diversity

- History
 - The Harry Pearce letter
 - The Statement of Principle
 - The Call to Action
 - Today
- Experience:
 - None of the stakeholders – corporate clients, law firm management, or diverse partners – has been satisfied with the outcome.

Business Case for Diversity: Key Findings

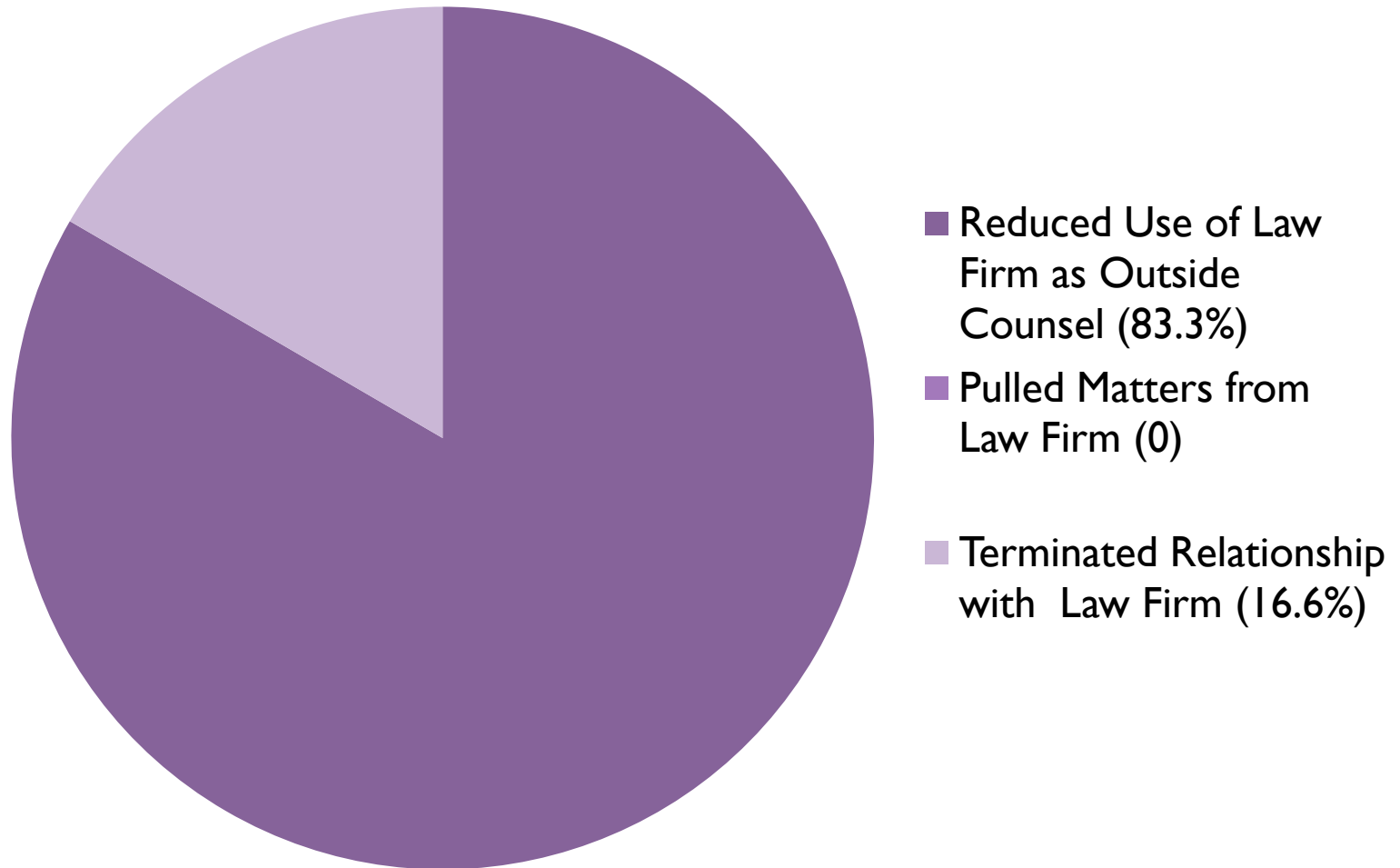
- A business case for diversity exists but expectations differ dramatically between clients, law firms, and diverse partners.
- Few corporations use any kind of incentive to encourage the use of diverse outside counsel.
- 12.5% of corporations have sought to change their relationships with law firms based upon poor diversity performance.
- 72.7% of law firms receive 0 to 5% of their gross revenues from clients who ask about diversity.
- 80% of law firms have never been told they received business because of the firm's diversity efforts.

Corporate Client Relationship Changes Attributed to Poor Diversity Performance



- Corporations That Changed Relationships With Law Firms Due to Poor Diversity Performance (12.5%)
- Corporations That Have Not Changed Relationships With Law Firms Due to Poor Diversity Performance (89.6%)

Corporate Client Actions as a Result of Poor Diversity Performance



Business Case for Diversity: Key Findings

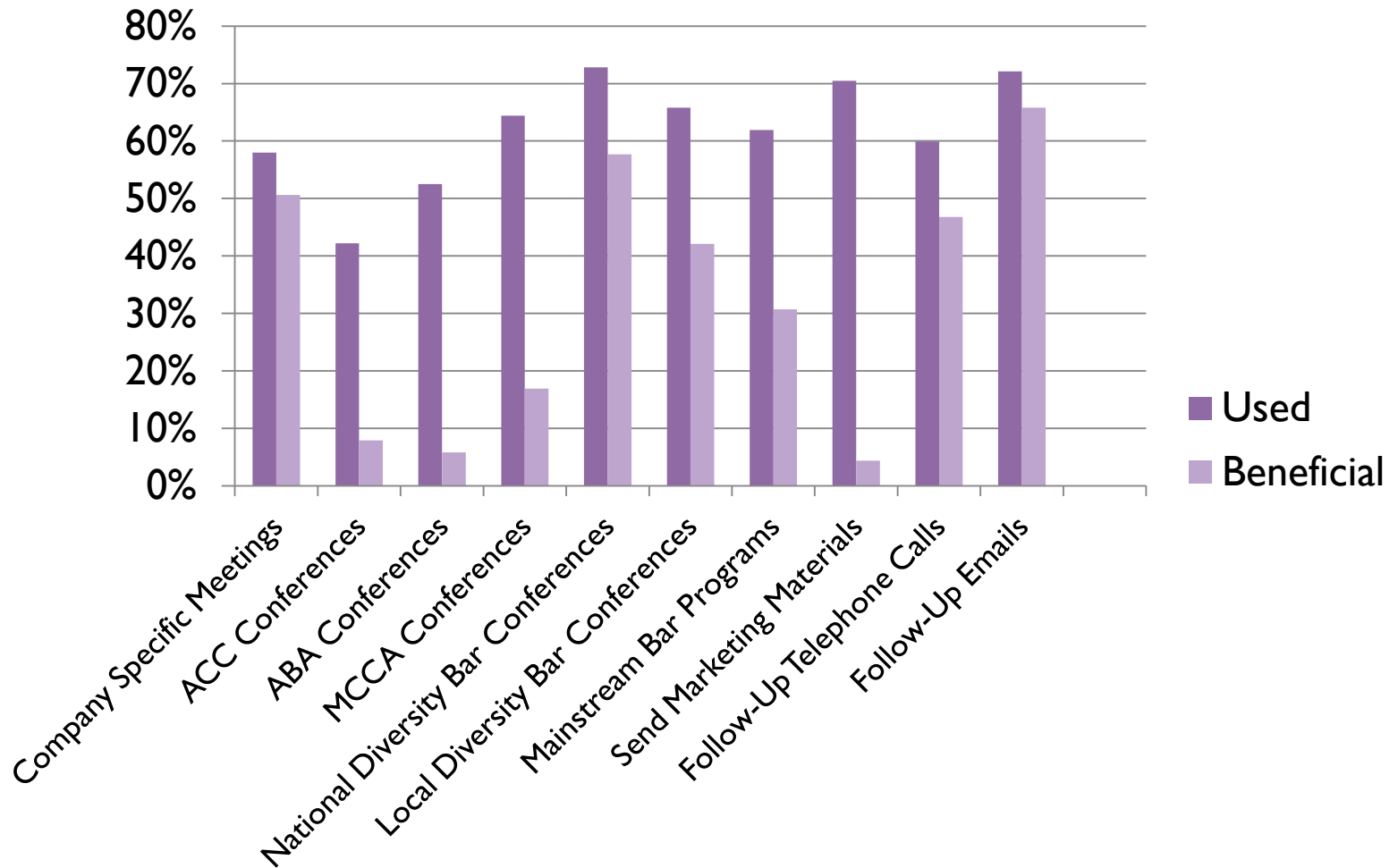
Things we suspected:

- Few diverse partners serve as billing or relationship partners for corporate clients.
- Lawyers with disabilities are frequently mentioned but generally overlooked.
- 84.1% of diverse partners have served on their firm's diversity committee; 8.1% have served on the executive committee.
- Asian Americans are least likely to convert from associate to partner.

A few surprises:

- 84.3% of diverse partners were never summer associates at their firms.
- 36.3% of diverse non-equity partners at large firms do not believe that they will ever become equity partners.
- African Americans generate the most revenue from corporate clients but in the lowest revenue brackets. GLBT Caucasians generate the most in the higher revenue brackets. Asian Americans generate the least amount of revenue from corporate clients.

Common Strategies Are Not Always Effective Strategies





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