

Big Company Diversity Initiative Already Being Felt in Delaware

By Elizabeth Bennett
Of the DLW

While some may question whether diversity programs have a substantial effect, an initiative announced in March by a number of the legal departments of large companies, including DuPont, comes with a concrete goal: The companies have pledged to spend \$30 million in aggregate this year with minority- and women-owned law firms.

Ellisa Habbart, co-founder of women-owned corporate transactional firm the Delaware Counsel Group in Wilmington, has already fielded calls as a result of the pledge. It is known as the "Inclusion Initiative," according to an announcement from the participants.

A study commissioned by DuPont a few years ago found a significant drop since the late 1980s in the number of successful minority-owned law firms serving corporate America, the announcement said. The companies have pledged to try and reverse the trend.

A few pledging companies have already contacted Habbart. A call from Prudential Financial Inc. resulted in a get-to-know-you meeting.

"The opportunity came out of this program," Habbart said, adding that participating companies already familiar with her firm were able to share information with their peers.

In addition to DuPont and Prudential, the pledge has been joined by international consulting firm Accenture, as well as American Airlines, Comcast, Exelon, General Mills, GlaxoSmithKline, Microsoft and a few others.

This year's pledge represents the renewal of a commitment that began in 2006, according to Mark Edwards, corporate counsel for DuPont.

That year a smaller group of companies pledged to spend \$16 million in aggregate with minority-owned law firms.

Edwards said the pledge was met but was not repeated for the next three years. Then Thomas Sager, senior vice president and general counsel for DuPont, and Richard Meade, associate general counsel for Prudential, decided they wanted to reinvigorate the initiative.

"They set out to encourage other corporations to get on board," Edwards said. Women-owned firms were also added to the pledge, which was not the case in 2006.

Sager has a reputation for being

committed to diversity. He is also an enormously influential leader in the legal community. In fact, in late March *The National Law Journal*, which is affiliated with *Delaware Law Weekly*, named Sager

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— DuPont counsel Mark Edwards

among the most influential lawyers of the past decade.

To ramp up the program, the respective legal departments of Sager and Meade enlisted the help of the National Association of Minority and Women Owned Law Firms, Edwards said.

Not only are NAMWOLF members a good pool in which to search for quality firms to handle legal work, the association

has also been tapped to help identify best practices that major corporations can use to build their relationships with minority- and women-owned firms, according to the announcement of the initiative.

The Delaware Counsel Group is a NAMWOLF certified firm, the only one in Delaware, Habbart said. She added that at first she was skeptical about the benefits.

"I thought, 'Nobody is going to hire me just because I'm a woman,'" Habbart said. The benefits soon became apparent, however.

Habbart explained that NAMWOLF can get a firm's name out there, and the rest is up to the firm.

"If you are not able to evidence substantial experience in the sophisticated matters for which they use counsel, or if you do not have significant references to support your experience, you are not going to get the work regardless of race or gender," she said.

As it happened, Accenture was involved with NAMWOLF, and in late 2007, the Delaware Counsel Group got a call from the giant consulting company.

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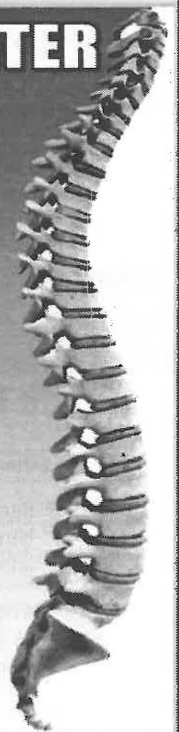
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"There weren't a lot of in-house counsel seeking out a name for transactional work. A lot were focused on litigation," Habbart said.

"Accenture was an exception," she added.

Because Accenture is a signatory to this year's \$30 million pledge, Prudential heard about the Delaware Counsel Group and asked for information.

Paul Chadha, counsel in Accenture's legal group, said his company has worked with minority- and women-owned firms for years.

For the past five years, Accenture has had an internal goal to spend 5 percent of its legal budget with such firms, and it has been able to meet this goal, Chadha said.

"There are a lot of keys to that success," he said. "It comes from working with these smaller firms and sharing with them our practices and expectations from a legal perspective. Sometimes we integrate them with our teams."

Chadha said these firms have worked in the intellectual property group, the transaction practice group and litigation.

Edwards from DuPont said the minority- and women-owned firms who work with his company handle a wide variety of legal matters.

"They range from employment to toxic tort, to breach of contract. They are across the board," he said. "Some firms work on regulatory matters. There are certain firms we reach out to for specific needs."

An exception is patent litigation, which "traditionally goes to the median and largest sized firms" because of its complex nature, Edwards said, although added that he can see this changing as experienced patent litigators from big firms choose to open up shop for themselves.

Edwards also said that DuPont Legal encourages the larger firms it uses as outside counsel to work with minority- and women-owned firms, and not only in a local counsel capacity.

"We try to give the diverse legal suppliers the opportunity to be the lead," Edwards said.

DuPont, as one of the driving forces behind this initiative, would like to spread the practice of giving opportunities to these firms.

Sager, DuPont's general counsel, "has done a tremendous job to help us reach out to as many GCs as we can," Edwards said.

All the companies who have made the \$30 million pledge plan to meet quarterly "to talk about what we can continue to do to support this effort not only this year but in years to come," Edwards said. He added that information sharing has already begun and has been nonstop.

In fact, DuPont is one of the sponsors of www.minorityandwomenlawfirms.com, which lists firms by state.

For Delaware, the site lists Brown Stone Nimeroff, the Flowers Counsel Group, Walker Nell Partners Inc., and the Delaware Counsel Group.

Habbart from the Delaware Counsel Group said the initiative may also be helped along by companies who are evaluating their expenses, including legal, in tough economic times. She said they may be looking for other ways to get the work done aside from the usual big-firm model.

In an *NLJ* article, Sager also mentioned this factor. He said that hiring minority- and women-owned firms, which tend to be smaller, could be a way to cut costs.

"This makes moral sense, and it makes business sense. Many of these firms are noted for their creativity, resourcefulness and cost-effectiveness," Sager said in the *NLJ* report. •

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