

# Small Firms, Big Issues: How to Compete on the Diversity Front

By Donna Dick

Leaders of Diverse Small Firms Share Their Secrets



**B**ig money. A glamorous, big city location. Compelling cases. The promise of partnership for the brightest and best. For many minority law students, the lure of large law firm employment is enticing. Today, these firms are increasing efforts to recruit at minority job fairs, provide mentors and internship programs for minority students, and diversify their summer programs. How, then, are small firms to compete?

For many small firms across the country, recruiting and retaining diverse lawyers is just as big a priority as for large firms—but it is a much bigger challenge. According to a 2004 study by the National Association for Law Placement (NALP), in law firms with more than 500 attorneys, 5.43 percent of partners and 17.90 percent of associates were minorities, while in firms with fewer than 100 attorneys, 4.44 percent of partners and 11.35 percent of associates were lawyers of color.<sup>1</sup>

Clearly, large law firms have a big advantage in the competition for minority talent. For small firms, it is not only challenging to compete in areas of prestige and location, but the efforts to

attract attorneys of color require relatively more dedication, focus, time, and money. But despite these challenges, small majority-owned

firms have successfully recruited and retained minorities, and, in the case of minority-owned firms, white attorneys.

*Diversity & the Bar*<sup>®</sup> spoke with partners at some of these successful firms about the specific challenges they faced in attempting to diversify, the obstacles they overcame, and the advantages that diverse attorneys may have in working for smaller practices.

## Focus and Commitment

Keith Simmons is the managing partner at Bass, Berry & Sims PLC, a Nashville-based multi-specialty business firm. The firm employs 183 attorneys in its four Tennessee offices, seven of whom are African American. Of the firm's 81 partners, none are minorities. Although the firm has long been committed to diversity, when other pressing concerns have arisen, the focus has tended to shift—something Simmons feels is probably true for most majority-owned firms.

Bass, Berry & Sims has been pursuing minority candidates for more than a decade, but only in the past four years has the firm established a formalized committee to promote its diversity initiatives and, more importantly, to keep pressure on management to ensure that diversity hiring remains a high priority. But it is the composition of the committee—four senior white attorneys, including Simmons, and four African Americans who drive the committee's efforts—that Simmons believes places his firm at an advantage. Having minorities on its diversity committee, with whom potential hires can relate, has been extremely beneficial to the firm's diversity efforts. "It's a lot easier to reach out to a group like the Black Law Students Association at Vanderbilt University when you have young black lawyers in your firm," says Simmons. "Ten years ago, when we approached them, they didn't see a group of role models. Now they do."

## Getting Involved, Breaking Barriers

Simmons says that the firm has begun to be "much more intentional and proactive" about its minority recruiting. The firm is now an enthusiastic participant in minority job fairs both locally and around the country. He notes that when majority-owned firms recruit, they tend to use very conventional hiring standards like grades, class rank, and law journal contributions to evaluate potential hires, although these attributes are not always necessarily the best predictors of success. A few years ago, the partners at Bass, Berry & Sims realized that if the firm was going to be successful in being diverse, it would need to adopt a broader outlook when assessing candidates. Now, when evaluating hires, the firm focuses much more on broader predictors of success and uses "behavioral interviewing" to unearth characteristics in interviewees that are not necessarily apparent on their resumes.

Simmons knows that diversity hiring is a challenge, but thinks that many firms complain about obstacles to rationalize being neglectful. "Yes, it is tough to hire minorities in a firm where there are none, but with focus, it can be done," he suggests. "A big part of the challenge is that when you start from zero, that initial hire is a real pioneer. When minorities look at us and don't see anyone who looks like them, they become very skeptical

*continued on page 42*



# How to Compete on the Diversity Front

continued from page 41

about whether or not they can be successful in the environment," he points out.

Bass, Berry & Sims is also involved with local organizations, such as the Napier-Looby Bar Association, Nashville's minority bar association. "We believe that the more we can develop relationships in places where people are trying to do something about diversity, we are going to increase our visibility," Simmons adds. "We face a lot of challenges, but we have to attack this on several different fronts, including educating members of the firm that this is important. Words that just put a good spin on a firm's efforts do not substitute for action. Diversity is important. It

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—George Soule

brings a deeper cultural fabric to the firm and makes us a better organization," he continues.

Minneapolis, Minnesota-based Bowman and Brooke LLP has six offices across the country, made up of approximately 150 litigators. Thirty are minorities, a number the firm keeps working to increase. Bowman and Brooke is one of three small firms to become members of the Twin Cities Lawyers Group (TCLG), a newly formed collaborative effort of area-based firms that will take a leadership role in identifying, recruiting, advancing, and retaining lawyers of color in Minnesota's legal community. TCLG will also promote the Twin Cities as a good place for lawyers of color to develop professionally and personally.

Founding Partner George Soule, a Native American who currently serves as president of the Minnesota Indian American Bar Association, indicated that although the firm does not have a formal diversity program, inclusiveness is still a high priority goal. The firm has developed relationships with all of the city's minority bar associations and participates in minority law school conferences. Its lawyers also volunteer in external programs and organizations that promote diversity and work to increase opportunities for minorities. "One of our goals in hiring diverse lawyers is that we think more viewpoints create better problem-solving for our clients," Soule explains. "In addition, we want our firm to look like the communities we serve."

## Averting Attorney Attrition

At Potter Anderson & Corroon LLP, an established Delaware firm specializing in corporate, business, and litigation work, Joshua Martin spearheads the firm's diversity efforts. Although the firm has long embraced diversity, of its 77 attorneys, only five are

minorities—two partners and three associates. In fact, Martin himself is a trailblazer. He is the first African American male to make partner in the firm's 179-year history. Martin's arrival at Potter Anderson & Corroon in March marked the beginning of a new phase at the firm. He will use his experiences as a patent attorney, a Superior Court judge, a corporate general counsel and a CEO to help revitalize the firm's diversity program, focusing particularly on retention. "The firm is just not happy with the amount of diversity in its current attorney complement. Even though we've had moderate success in attracting minorities to the firm, we've not been successful in retaining many of these lawyers," Martin says. "And quite frankly, Potter Anderson & Corroon wants to lead the charge in making law firms in Delaware, and the region, more diverse."

Martin thinks that a small firm needs to offer a "very welcoming and nurturing" environment for associates, particularly if it is located in a state like Delaware, which does not offer the social lifestyle of a big city. For Potter Anderson & Corroon, the challenge is to get lawyers of color to see that they can have a very successful practice with the firm, as well as a personally satisfying lifestyle. "When I first came to Delaware in 1974 as a patent attorney, I really didn't think that I was going to stay because I didn't think Delaware would welcome me," Martin recalls. "But things fell into place. I had a principal mentor as well as several others, and over time, I have seen many changes for the better. I think Potter Anderson & Corroon could bring about that same kind of change in the legal profession."

Martin, who is currently reviewing the firm's mentoring program, also suggests that while a structured mentoring program is a key to the success of a firm's diversity goals, young lawyers should be encouraged to seek other mentors outside of the structured mentoring process. He also advises that they develop relationships with other attorneys with whom they feel comfortable enough to discuss any concerns—professional and personal.

## Compensation Competition

One of the biggest challenges facing any small firm today in recruiting talented and diverse attorneys is compensation. Carlos Rincon, a partner at Delgado, Acosta, Braden & Jones PC—a Texas-based firm that employs 20 lawyers in its four offices—believes that the issue of compensation is controlled more by region and practice area than by firm size. According to Rincon, lawyers who practice intellectual property litigation in big cities like New York and Los Angeles, both high-paying legal markets, are going to command salaries that others cannot.

While Simmons' firm is larger than Rincon's, it too faces "big-city market" competition. "Today, students are graduating from law school with huge debts to repay, so if they can get them, many opt for jobs with firms in large cities. In addition, cities the size of Nashville compete with larger areas for social and lifestyle opportunities for people of color. The environment in which a black professional operates in Atlanta in most cases is probably much more comfortable than in Nashville. So often, at firms like ours, the associates all have connections to the area, whether it is family or former school ties," he concludes.

continued on page 44

# How to Compete on the Diversity Front

continued from page 42

Wilson Petty Kosmo Turner LLP is a San Diego-based litigation firm with 19 attorneys, founded in 1991. The firm evolved to become a woman and minority-owned business under the leadership of Regina A. Petty and Claudette Wilson. The firm's partnership base is unique in that six of its eight partners are women, two of whom are women of color. Named to the "50 People to Watch in 2004" list by *San Diego Magazine*, Petty says that the firm generally does not experience difficulties attracting and retaining diverse attorneys because of its status as a woman and minority-owned firm. However, she does believe that the attraction of large firm salaries plays a significant role in the challenges that many small firms have in hiring diverse attorneys. Petty shared that during the late 1990s, large firms competing for talented young lawyers initiated a "price war," which then trickled down to small and mid-sized firms. Salaries increased so dramatically, small firms could not keep up without enormous fee increases to their clients. Many young, talented lawyers were drawn by big paychecks and chose to begin their careers in large-firm practices. But according to Petty, these young attorneys may not have realized the potential pitfalls. "One of the things that graduating law students are generally ill-prepared for when they choose to start their careers in a large firm is realistic, long-term financial planning," Petty maintains. In counseling new lawyers, she stresses, "Few lawyers today ultimately spend their entire career in positions at the highest end of the market, so it is important to maintain financial flexibility to pursue other opportunities which involve lower compensation."

In 1995, Thomas Chan founded the Chan Law Group LC, a Los Angeles-based firm with four lawyers, whose client base ranges from entrepreneurs and emerging industry leaders, to Fortune 500 corporations, foreign enterprises, and individuals. Chan suggests that if a firm cannot afford to pay large salaries, it may be able to deliver supplemental compensation in the form of sizable bonuses, something he can do due to the firm's low overhead. "With lower overhead and no debt, the firm does not get into trouble financially, so we tend to be more stable and can afford to reward our attorneys at the end of the year," Chan shares.

## Budget Blues

With limited funds to spend on recruitment, small firms must strategically focus their outreach efforts. Typically, most do not participate in career days at law schools or minority hiring fairs—it is cost-prohibitive both in terms of money spent and time away from the office. Furthermore, most small firms do not hire at the entry-level because of the time, cost, and manpower involved in training new graduates. At Wilson Petty Kosmo and Turner, the firm's practice is to hire lawyers with three or more years of experience, believing that the expense of effectively providing good training is more manageable within the budgets of larger firms. The firm recruits via networking or newspaper ads.

Lynn Luker and Associates, LLC, a New Orleans-based, woman-owned litigation firm, has two African American and one Hispanic attorney on its six-member team. Luker, who is Caucasian, says that because of her firm's size, she does not

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**—Regina A. Petty**

employ specific recruiting practices. Rather, her hires are based on personal contact and, more important, her own agenda for creating a diverse firm.

Approximately half of the 35 attorneys at the Midwest firm of Gonzalez, Saggio, Harlan LLP are minorities. Gerardo H. Gonzalez, a founding partner, stresses that in hiring lawyers, the firm actively seeks to recruit individuals from all ethnic backgrounds. Gonzalez believes if a firm is truly committed to diversity and wants to grow its business, it must find ways around perceived obstacles to minority hiring. For example, he suggests that if a firm is located in an urban area, the firm's managing partner or senior representative should meet with area and national minority bar associations, such as the Hispanic Bar Association or the National Bar Association. "They need to know the leaders of those organizations and make them aware of their firm's search efforts," Gonzalez states. "If they do that as a natural part of their recruitment effort, it will go a long way to show that they are truly interested in diversity. Furthermore, if they actually do hire a minority candidate, they will then benefit from that person's network."

Chan Law Group, which recently lost two lawyers—an African American and a Latino—is doing just as Gonzalez suggested. Chan, who is Asian, wants to replace those attorneys. With limited recruitment funds, his search is much more personal and focused. He has been reaching out to local bar associations and networking with industry contacts to find the "right" candidate—a lawyer who has the right mix of legal, marketing, and business skills.

## Leverage Issues

Practices that specialize in certain niche industries must hire attorneys that address specific client needs. While diversity is often on a client's wish list, industry-specific skills are also foremost. Herein lies the challenge—finding the candidate with everything. Chan, whose firm handles patents and litigation lawsuits for the technology and science industries, shares that it has been difficult finding African Americans or Latinos with the required background since, in his experience, there are fewer minorities with undergraduate degrees in technology and the sciences.

For The Delaware Counsel Group LLP, a Wilmington firm with a sophisticated corporate transactional practice focused on Delaware law for corporations and alternative business entities in the state, the biggest challenge is finding someone with the appropriate business background who can also serve as an

continued on page 46

# How to Compete on the Diversity Front

continued from page 44

ambassador for the firm. Founded in February 2004, the three attorneys at the Caucasian woman-owned boutique all began their careers and rose to partnership and senior positions in larger established Delaware firms. Partner Heather Jefferson says, "In addition to having solid legal backgrounds, potential hires must also possess strong business acumen, as the firm's work is very specialized. In addition, if you do find the right person with the right background, he or she must have a solid work ethic, understand and respect the needs of your corporate clients, can deliver client trust, integrity, efficiency, effectiveness—all the things that a small firm tries to impart through the firm to the client." While Jefferson realizes that there may be many efficient lawyers available, a small firm must also nurture the client-service side. She adds, "In a big firm, you can get around that because you may have a relationship lawyer who deals with the client, so a very good technician behind the scenes works in that setting. A small firm does not have that luxury because we can't be everywhere. Small firms need to have their structure correct in order to avert leverage issues and be confident with leveraging down to those who can also handle some client contact."

## Moving Forward

Despite the competition, smaller law firms stand a good chance of establishing a truly diverse culture and managing it success-

fully. While many of these firms may not have formal diversity programs in place, a good number have found ways to reach out to and retain minorities, such as bonuses and impressive work/life balance cultures that in many ways rival, if not exceed, those at larger firms. Regina Petty of Wilson Petty Kosmo and Turner says that her firm is equally proud of its work/life culture as it is of its stance on diversity. "We do a better-than-average job of achieving work/life balance because we don't have extraordinarily high billable hours and we take an individualized approach to managing the professional and personal goals of our lawyers," she states.

Additionally, Gonzalez at Gonzalez, Saggio, Harlan LLP states that being open to hiring diverse attorneys has helped the firm get some excellent results for their clients because the attorney had a different perspective than that of an attorney at the more traditional, larger law firm.

These firms are unique in that they reflect all races. They show respect for different cultures and individuals who, with their differences, bring fresh insights to the table. While these firms may not offer the prestige of a big name or big salaries, what they do offer is something that many attorneys find most important: a place where they can thrive. **DB**

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## NOTES

1. See "Women and Attorneys of Color at Law Firms—2004," The National Association for Law Placement (NALP *Bulletin*, Feb. 2005), at <http://www.nalp.org/content/index.php?pid=253>.



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