

Consulting Giant Demands Diversity among Outside Counsel

In-House News:

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By Kenneth Davis

Accenture, one of the world's largest consulting firms, is pushing its outside counsel to add more diversity to their firms and is prepared to drop those who don't make efforts to improve.

Two years ago, Accenture asked 40 firms on its preferred provider list to fill out a lengthy diversity questionnaire. In the questionnaire, the company asked each provider to indicate the numbers of ethnic minorities, gays, lesbians, and women in its entire firm, on management committees, among student and lateral recruits, and among attorneys working on Accenture matters. The survey also asked qualitative questions, such as "How does your firm deal with sensitive diversity issues?"

Additionally, each firm had to describe how successful it was at retaining its minority lawyers, whether it had any recruiting or retention programs for them, and how it measured the effectiveness of such programs. Accenture shared the aggregate data with outside counsel, showing them how they compared with their peers and encouraging firms to share ideas and best practices.

"We used this as an opportunity to have a dialogue," Douglas Scrivner, General Counsel for Accenture, told *Diversity & the Bar*. "We are less concerned with

today's numbers than with a demonstrated commitment to progress. The survey was intended to provoke discussion."

However, it seems that Accenture wants to see a little more action and a little less talk. This year, the company plans to resurvey its outside counsel to see how much they've improved, and the firms that haven't made changes to improve their diversity will be dropped from the company's roster.

Accenture is not making idle threats. When one law firm refused to fill out the 2005 survey, citing the survey's length as the reason for its failure to comply, the company stopped using the firm.

(The survey was long—seven pages. In contrast, the questionnaire that Wal-Mart Stores, Inc., asked its outside counsel to fill out in its well-publicized 2005 diversity initiative fit on a single page.)

"We want to know if these people we are spending money on are dealing with diversity," Accenture's in-house attorney Paul Chadha told *In-House Counsel*. "And we want them to know that 'if you don't improve, we won't use you.'"

The inspiration for Accenture's initiative came from the diversity manifesto that Sara Lee Corporation General Counsel Roderick Palmore began circulating two years ago.

In April 2005, Scrivner signed the statement, which calls on companies to scrutinize the diversity of their law firms and drop those that don't measure up.

After collecting data through the fall of 2005, Accenture analyzed the results

and ranked its top 15 firms (as determined by billings) as green, yellow, or "red." No firm received a green rating.

"Green means they're done," Joel Stern, Accenture Director of Legal Services, Americas, told *In-House Counsel*.

In its meetings with the 15 firms during 2006, Accenture discussed how well each had done in relation to the others. Each firm also developed an individual action plan in consultation with the company.

DLA Piper came in third in the company's rankings. David Mendelsohn, Accenture's relationship partner at DLA, told *In-House Counsel* his firm has developed an initiative to involve its minority associates in more in-house legal work.

"Part of the desire is to involve and encourage diversity," he said.

As a result of the meetings, many of the firms are busy beefing up their diversity efforts.

So how well would Accenture do if it were to take its own survey? The company won't release its diversity statistics, but going by the ratings that it gave its outside counsel, Stern told *In-House Counsel*, "We wouldn't give ourselves a green; we have good percentages of women at all levels of the legal group, but we have to work on getting more minorities in the senior ranks."

Accenture has received praise for its diversity efforts from legal publications and organizations that advocate diversity. It recently received the first annual

Diversity Initiative Achievement Award from the National Association of Minority and Women Owned Law Firms. And *Corporate Legal Times* named Accenture's law department among the "10 Most Innovative Law Departments" for setting up a legal service center in Mauritius, where the population speaks Dutch, French, and English.

To bring more diversity into its law department, Accenture has developed orientation and mentoring programs for its minority and women recruits. The orientation program allows new hires to meet with management-level attorneys as well as representatives from each practice area.

And Accenture is putting its money where its mouth is with regard to the diversity survey; just as the company's outside firms will pay a price based on whether they focus enough attention on diversity, so will at least one of Accenture's in-house lawyers.

"I have several diversity goals," Stern told *In-House Counsel*. "And my salary and rewards are based on my goals."

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