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Diversity A Business Necessity For Law Firms, Expert Says

By **Brian Mahoney**

Law360, New York (August 02, 2013, 9:04 PM ET) -- Law firm diversity not only makes business sense but it may become vital to retaining client business as firms lose leverage at the bargaining table in a changing legal environment, a leading legal industry diversity advocate told Law360 on Friday.

As firm business models adapt to increasingly frugal client budgets, diversity becomes a significant factor for clients seeking legal representation that suits their business models — and their customers, according to Lori L. Lorenzo, deputy director of the Leadership Council on Legal Diversity.

"One of the driving factors in recent years is the shift in the business model of the legal profession," Lorenzo told Law360. "I think that clients are now driving the firms to meet certain expectations and one of those is diversity.

"Clients have had more bargaining power than ever before, in recent history anyway, and one of the things that they're doing, and rightly so, is demanding that the diversity in the firms that represent them is representative of the clients that the companies serve."

Lorenzo, who gave the keynote address at the annual Vault Law Firm diversity awards in Washington, D.C., on Friday, said law firms need to add diversity to their ranks to attract and retain top talent, which is increasingly derived from women, people with disabilities, people of color and people from the LGBT community.

"If you look at how much money a law firm invests in a very young lawyer in the course of the first few years [of their career], to lose that lawyer for a reason such as an inhospitable environment or a noninclusive environment is wasting a tremendous amount of resources," Lorenzo said.

"It really just makes business sense."

Carlton Fields PA swept the annual awards, earning highest marks in all five measured categories as a leading firm partner spoke of how her coming out of the closet impacted the firm's diversity efforts.

The firm was ranked first in diversity with respect to women, individuals with disabilities, minorities and members of the LGBT community. The firm was also awarded top ranks in overall diversity, according to Vault, which unveiled the awards at a ceremony Friday morning.

Ropes & Gray LLP, Littler Mendelson PC, Debevoise & Plimpton LLP, Jenner & Block LLP and

Schiff Hardin LLP rounded out the top five firms for overall diversity, with Debevoise and Jenner tying for fourth.

In accepting the award for her firm, Carlton Fields shareholder and chief diversity officer Nancy J. Faggianelli told an audience of young attorneys that they can make their law firm's culture more diverse by speaking up for change.

"Change happens when people ask for it and people go out and do something about it," she said.

Faggianelli said she largely concealed her homosexuality to firm colleagues in the 1980s and 1990s, but grew tired of accepting lesser insurance benefits for her partner. She considered asking the firm for domestic partner benefits, as close confidants warned her of career suicide.

"One person told me 'you shouldn't do this,'" Faggianelli said. "'This is like committing professional suicide you're going to alienate a lot of people.' And I said I don't think that's the case at my law firm."

Faggianelli won the benefits and now helps lead the firm's diversity recruitment efforts.

"One of the things to remember is that you need to ask," she told the audience. "And a lot of you are going to have needs, desires or ideas that are really going to make a change, and I was able to make a change at our law firm."

--Editing by Chris Yates.

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