

15 Pioneering Legal Departments Join the Diversity Dividends Collective to Accelerate Diversity in Outside Counsel Teams

San Francisco, May 25, 2021 – Diversity Lab announced a bold, new pilot with 15 legal departments committed to holding their law firms accountable to increasing the diversity of the teams working on their matters. The [Move the Needle Fund](#) (MTN) Diversity Dividends Collective simplifies the diversity data collection process for legal departments and their law firms, while incorporating meaningful progress goals and compliance outcomes that all legal departments can embrace to boost the diversity of their outside counsel teams. Diversity Dividends brings together best practices from several top legal departments into one best-in-class initiative with simplicity, accountability, financial incentives, and collective action at its core.

The Diversity Dividends Collective drives meaningful change in the legal industry by fostering stronger partnerships between law departments and their firms. More than just another data tool, the Collective allows both parties to coalesce around a deceptively simple, yet powerful, set of questions that generates inclusion and equity data, in addition to diversity data, for outside counsel teams. The questions focus on who gets access to high-quality work, visibility and interactions with in-house counsel, and credit for developing or expanding the work — in addition to diversity representation on the teams — to provide a springboard for impactful DEI collaboration and to deepen client relationships.

In addition to providing access to a Diversity Dividends Dashboard that highlights areas of positive progress and challenges for their firms, Diversity Lab’s experts serve as advisors to the legal departments on immediate next steps and longer-term actions they can work on together with firms to make meaningful improvements.

Some of the pioneering legal departments joining the Diversity Dividends Collective thus far include:

- Arrow Electronics
- Con Edison
- Gap Inc.
- Hillrom
- HP Inc.
- Moffitt Cancer Center
- PNC Bank
- St. Jude Children’s Research Hospital
- Sunrun Inc.
- SurveyMonkey Inc.
- U.S. Bank
- Xcel Energy

As part of this initiative, participating legal departments commit to evaluating their outside counsel law firms on a 5x5 Matrix, which includes the five core metrics that research shows are most impactful for inclusive and equitable teams. And after two years of working with their firms on these metrics to make progress, the legal departments will provide additional work to firms that have shown year-over-year progress on at least three of the five metrics and less work to firms that have not demonstrated progress until they do so.

The Diversity Dividends 5x5 Matrix requires firms to provide legal departments with the representation of women lawyers, underrepresented racial and ethnic lawyers, lawyers with disabilities, and LGBTQ+ lawyers working on their matters — in the aggregate — at the following levels:

1. Overall makeup of teams working on the department’s matters at the associate, counsel, and partnership levels;
2. The representation of lawyers that receive financial credit or rewards for work on the legal department’s matters;
3. The representation of lawyers that lead the relationship and/or matters for the legal department;

4. The representation of lawyers who have consistent and direct interaction with the in-house lawyers in the legal department, which also serves as a proxy for high-level work; and
5. The inclusion of lawyers in career-enhancing opportunities to ensure equal access across the firm through the firm's Inclusion Blueprint score and the firm's overall equity partnership representation, as reported via the MCCA Diversity Survey.

For years, women have hovered at around 20% of equity partners at large law firms, while underrepresented racial and ethnic groups remain at less than 10% of equity partnership. "The Diversity Dividends Collective 5x5 Matrix is specifically designed to address the power and economic gap in law firms where years of pledges, calls-to-action, and letters signed by general counsel without financial incentives have fallen short," said Leila Hock, Diversity Lab's Director of Legal Department Partnerships and Inclusion Initiatives. "By bringing dozens of legal departments together to work in unison, we can drive change farther and faster."

"With the HP Law Firm Diversity Initiative launched by Kim Rivera in 2017, we've proven that economic power and incentives work," notes Harvey Anderson, Chief Legal Officer at HP Inc. "We're proud to serve as an inspiration for other legal departments and to join the Diversity Dividends Collective so the entire legal industry can reap the benefits of increasingly diverse outside counsel teams, as we have over the past four years."

Legal departments that join the Diversity Dividends Collective receive a ready-made Toolkit — with a timeline, internal and external communication templates, and the 5X5 Matrix surveys — to streamline the implementation and create a standardized yet frictionless process for both the legal departments and law firms. Diversity Lab's team of data analysts will provide each participating legal department with access to a dashboard that analyzes their top firms' performance across the 5x5 Matrix as well as firmwide diversity statistics. The goal is to make it as easy as possible for legal departments of all sizes to join the Collective and take the majority of the administrative work off their plate so they can prioritize their time on collaborating with their firms to make progress on diversifying their outside counsel teams.

"Creating an inclusive culture is a core value of our entire organization," said Chip Fletcher, Vice President and Deputy General Counsel at Moffitt Cancer Center. "Joining the Diversity Dividends Collective was an easy choice. Beyond making it simple for our team to implement an effective program to evaluate the diversity of our outside counsel teams, joining a growing Collective of legal departments committed to driving progress on the same metrics allows our actions to have an exponential impact. We are excited to join this powerful Collective to drive sweeping transformation in the legal industry."

Registration for Diversity Dividends is currently open. Legal departments interested in learning more or joining the Collective can contact Valerie Portillo at valerie@diversitylab.com.

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About [Diversity Lab](#) – Diversity Lab is an incubator for innovative ideas and solutions that boost diversity, equity, and inclusion in law. Experimental ideas – such as the OnRamp Fellowship and the Mansfield Rule – are piloted in collaboration with more than 100 top law firms and legal departments across the country. Diversity Lab leverages data, behavioral science, design thinking, and technology to further develop and test new ideas and research, measure the results, and share the lessons learned.

About [Move the Needle Fund](#) – MTN is a unique collaborative effort designed and funded with \$5M — by Diversity Lab and four trailblazing law firms, including Nixon Peabody, Orrick, Stoel Rives, and Eversheds Sutherland — to test innovative initiatives to create a more diverse and inclusive legal profession. Together, the four law firms and 30 founding legal departments have created a first-of-its-kind "laboratory" in which bold new approaches, such as Diversity Dividends, are being incubated over five years to serve as a model for learning and transformative change in the legal profession and beyond.