

# INTERVIEW: JOEL STERN

## CEO, NAMWOLF

NAMWOLF is the acronym used by the National Association of Minority and Women Owned Law Firms, an organization aiming to change the face of the legal industry with a focus on supplier diversity. Its CEO, Joel Stern – a former deputy general counsel at Accenture, speaks with GC about NAMWOLF’s mission and how it’s going to get there.

### GC DIVERSITY AND INCLUSION INTERVIEW



When I was at Accenture, I managed all of our global outside counsel spend as well as our diversity and inclusion legal program. I love big law and NAMWOLF is not a play against big law. We are complementary to the diversity and inclusion efforts focused on big law. But if big law was more successful with respect to hiring and retaining minority and female lawyers, there might not be a need for NAMWOLF because minorities and women would be treated equitably in our profession. I would love that to happen and will continue to help big law and in-house do more on this front. Currently however, the legal profession is far behind other professions such as accountancy and medicine with respect to its ability to both find and keep women and minorities. That’s embarrassing to me as lawyer and to the profession as a whole.

The other part of the matrix is the role of the in-house lawyer in effectuating positive change. The client has a huge amount of control over what big law does and it needs to begin exercising that control. What needs to be made clear is that diversity and inclusion is not a ‘nice to have’ but is a strategic imperative in both good times and bad. It needs to be treated as a critical program by the general counsel and their leadership team.

### IT’S THE ECONOMY

About ten years ago, a number of major general counsels put out a call to action using their economic buying power as leverage. They stated that they would make procurement decisions based on many factors, including law firm success in the diversity and inclusion space. However, when the economy tanked in 2007, many general counsel took their foot off the gas pedal and focused primarily on the hourly rate. As a result, lots of the firms got rid of the diversity and inclusion initiatives and, paradoxically, severed the employment of many of the lawyers who benefited from these initiatives. That included many minority and women lawyers and that’s not good enough.

Legal departments have to see this as a strategic imperative and ensure it’s a priority, year in and year out. Unless they do that, law firms aren’t going to take this call to action seriously and will continue to focus on metrics that relate more to their business and profits. We want in-house counsel to use their economic buying power to affect change in big law and the profession generally. We also want in-house counsel to give our highly-qualified and heavily-vetted minority and women-owned firms the opportunity to compete for their business. We are confident that once our firms get in the door and get that opportunity to compete, they will win the business.

### THE CHALLENGE

We challenge in-house legal groups to give minority-and-women-owned law firms at least five to ten percent of the work, while continuing to work with big law to do more. They will get amazingly

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high-quality and high-value legal services, while doing something that supports diversity and inclusion. The Fortune 500 corporations that are already doing this clearly see the benefits.

With regards to our firms, they go through a rather onerous vetting process when they ask to join our group. First, they have to be certified by Women's Business Enterprise National Council (WBENC) or National Minority Supplier Development Council (NMSDC) as they have to have been independently certified as 51 percent minority-or-women-owned. Second, all of our firms go through a stringent quality review to give potential clients comfort that these types of firms can do the work corporations need; for example, they have to be credentialed by three Fortune 500 legal groups before inclusion amongst our recommended law firms. It is this credentialing that gives legal groups comfort that these law firms can and do provide a superior level of legal services.



Our law firms range in size from 3 – 300 lawyers and are in 38 states. We have over 157 firms as part of our network that practice in several practice areas. For the most part, the owners came from big law; many not only survived but thrived in big law firms but for many different reasons decided to go off on their own. If it was just minority-and-women-owned 'play' without the quality and value, we would not have the success we do, but again, we are selling high-quality and value along with supplier diversity.

Ironically, our law firms often have to be better than big law since they are often given one shot to impress. When using big law, if an outside lawyer doesn't deliver the results you expect, the in-house counsel gets blamed for the results. If a NAMWOLF firm doesn't do a good job, the whole diversity and inclusion agenda will suffer, as all minority-and-women-owned law firms get tarnished by that bad experience. That's not fair, but it's the environment in which we operate in.

It's frustrating to myself and others working in this space that there is so much stagnation and lack of real change. There are many factors responsible for this, including unconscious bias, which in my view, is the number one impediment to law firm change. This is not about bad people making bad decisions. This is about good people trying to do the right thing, but being impeded from doing the right thing because they have unconscious biases that prevent them. The first step is understanding that we all have implicit biases. Once we understand that, we can take steps to minimize those biases.

Corporations and their legal groups are often more progressive than law firms in understanding these issues, because they have been focused on this for many years. This is why corporations have to take more time to persuade law firms to do the right and smart thing here. I think the issue is that both corporations and law firms need to run their diversity and inclusion programs like any other strategy; it needs to be well-communicated internally and externally, to have accountability, diversity and inclusion goals. Where you have goals, measure these, and create metrics to track progress, it produces an internal focus and initiatives really take off.