

2009 Annual Report and Recommendations of the Diversity Committee

I. Introduction

Patton Boggs' Diversity Program saw some successes in 2009: the Firm's 2009 summer class was 60 percent diverse and the 2010 class is expected to be 45 percent diverse; we held our first Diversity Advisory Board meetings and implemented the ideas generated at the meetings; we published a Diversity Brochure; and the Compensation Committee's published criteria for evaluating the non-formula portion of a partner's compensation now includes a commitment to diversity.

At the same time, 2009 demonstrated to us that with the exception of those areas lead by our Administrative Departments – law school recruitment, marketing and business development, and human resources – we have not truly achieved institutionalization of our diversity goals throughout the Firm. For example, too many of our efforts still rely on individual attorneys, are “one-off” efforts, and have not become regularly-repeated practices. Similarly, not all of our attorneys include diversity when they select a client pitch team, client service team, or conference panel. Patton Boggs also faces new challenges in 2010. Three of our African American partners departed in 2009 for high-profile jobs: De Smith to become Executive Director of the NFL Players Association, Stephanie Peters to become Microsoft's Director of Federal Government Affairs, and Denise Vanison to head the Immigration and Custom Enforcement Agency's Office of Policy. Their presence and leadership in the partnership will be greatly missed. We will continue to explore ways to expand our diversity efforts in the areas of recruitment and retention as well as facilities management and general services procurement. These realities guide our focus in 2010, as we seek to develop diversity-related programs that involve more members of the Firm and attract more diverse attorneys to Patton Boggs.

II. Achievements in 2009

A. Law School Recruitment

One of the areas in which we believe the Firm has achieved true institutionalization of its diversity goals is law school recruiting, as evidenced by the composition of the 2009 and 2010 summer classes. The Recruitment Department has added law schools to its on-campus recruiting schedule with higher diverse populations, regularly attends diversity-focused job fairs, and has adopted a series of efforts designed to reach out to law students in advance of the start of the second-year recruitment season. These initiatives have become an integral part of our law school recruiting effort.

B. Marketing

Similarly, our Marketing Department has embraced and included diversity in its materials. Marketing developed a Diversity Brochure that is innovative in format and message, differentiating Patton Boggs to our potential recruit and client audiences. The Diversity Committee has worked closely with the Marketing Department over the past three years to develop an annual list of sponsorships that is balanced among diverse groups and geographic location. We attempt to evaluate each event we sponsor to ensure that it meets our dual

goals of assisting a diverse legal organization and providing an opportunity to expose our attorneys to the diverse community of potential clients, and we revise the sponsorship list annually based on that evaluation. Again, this is now a regular and institutionalized process. In this connection, the Diversity Committee wishes to express its appreciation to the Firm; we recognize that it would have been easy to reduce our sponsorship budget during these times of economic uncertainty, and we appreciate that the Firm did not take this easy path.

With the assistance of the HR Department, we are attempting to apply the same degree of organization and scrutiny to the diversity-related surveys the Firm is asked to fill out each year. We have compiled a list of all the surveys we receive, and reached out to the regional offices and others within the firm to determine whether there are additional survey efforts in which we should be participating. Once we have developed a list of surveys we intend to complete in 2010, our intent is to review the surveys with a view to undertaking a dialogue with the various surveying organizations to ensure that Patton Boggs' policies and practices are fairly and fully represented in the survey data. For example, the wording of a question in the 2009 *Working Mothers* survey resulted in a response that did not fairly represent our family leave policy. The HR Department has reached out to *Working Mother* to discuss this anomaly and to explore whether the question can be reworded to capture complete responses.

C. Diversity Advisory Board

In 2009, the Diversity Committee held its first two meetings of the Diversity Advisory Board. The Board members are:

Anne L. Alonzo, Vice President of Global Public Policy, Kraft Foods
Andrew P. Cornblatt, Dean of Admissions, Georgetown Law Center
Edward A. Eckenhoff, Founder and President, National Rehabilitation Hospital
Thomas Kenyon, Retired
Raghu Krishnamoorthy, Senior Human Resource Manager, GE Corporate
Commercial and Communications
Samir Luther, Associate Director, Workplace Project at the Human Rights Campaign
April McGuigan, Founder and CEO of The McGuigan Group
Veryl L. Miles, Dean, Catholic University Columbus School of Law
Joseph M. Reamer, Vice President, HSB Bank, USA
Jimmie Paschall, Global Diversity Officer, Marriott International, Inc.
Rynthia Rost, Vice President of Public Affairs, GEICO
Kurt L. Schmoke, Dean, Howard University Law School
Hilary O. Shelton, Vice President for Advocacy and Director, NAACP Washington
Bureau
Jane Sherburne, Principal, Sherburne PLLC

Each meeting had a specific discussion topic. The first meeting, held in June and moderated by a consultant from the Diversity Spectrum Group, focused on retention of top talent. That meeting resulted in a specific proposal for a diversity business development initiative (*see* Section III.B below), which will be implemented in 2010. The second meeting's discussion topic related to the use of metrics to measure progress (*see* Section III.C below). Our Board members have been incredibly generous with their time and their ideas, and the Committee believes Patton Boggs will benefit both from the programs resulting from their ideas and from the relationships the Firm has established with our Board members.

D. Mentoring

Members of the Diversity Committee collaborated with the HR team in developing and launching the associate mentor program, in lieu of pursuing a separate Diversity Committee initiative, thereby incorporating diversity issues into a broader context and avoiding duplication of effort in the process.

III. Challenges for 2010

The Diversity Committee's goals for 2010 carry over from 2009: (i) lateral recruitment; (ii) business development opportunities for diverse attorneys; and (iii) the measurement of progress.

A. Lateral Recruitment

Increasing diversity among our lateral senior associate, counsel, and partner recruiting was one of the Diversity Committee's goals for 2009. While we admittedly faced the obstacle of limited associate hiring in 2009, we did not achieve the integration of diversity into the hiring process that we envisioned. The Committee intends to pursue two paths in 2010 to improve the Firm's institutionalization of considerations of diversity in the lateral hiring process:

1. Both Kara Reidy and John Byington attend our Diversity Committee meetings and we have had discussions with both Kara and John on the issues facing the Firm as it seeks to increase the recruitment of diverse lateral attorneys. Kara has volunteered to lead the Diversity Committee's subcommittee on lateral recruiting efforts, on which John and Michele Thompson are also participating. This subcommittee has been developing a specific set of proposals to ensure that considerations of diversity are included in all recruiting efforts. For example, the Practice Management Committee's process for approving lateral hiring requests requires the requesting Department to justify the hiring need. We urge the PMC to adopt as part of its approval process a requirement for specific efforts to recruit from diverse attorney pools, such as the practice-relevant bar associations (i.e., the African American Real Estate bar association).

2. Second, one of the recommendations made by our Diversity Advisory Board is the formulation and utilization of an alumni network as a means to reach diverse candidates. The Human Resources Department has already begun this work, and we are forming a subcommittee to work on this issue and develop an active alumni network that can be tapped for potential diverse recruits.

B. Business Development

1. Diversity Business Development Initiative

The first meeting of the Patton Boggs Diversity Advisory Board delivered a clear message: the key differentiator for effective recruitment and retention is the ability of a firm to convey its commitment to investing in each attorney's professional development and to provide concrete examples of how the firm's investment works in practice. As noted by the Board

members, programs such as PBU provide excellent evidence of the firm's commitment to the professional development of its talent.

However, the Board suggested that we develop a "break out" program that would differentiate us from other law firms and demonstrate an innovative approach to talent recruitment and management, and design a diversity-led project around that initiative. To this end, the Diversity Committee proposed, and the Firm approved, creation in 2010 of a Diversity Business Initiative Program ("DBIP"). The purpose of the DBIP is twofold: (i) to target companies and other organizations (such as universities or municipalities) that are either owned or managed by women or diverse individuals, and (ii) to train diverse and other associates, using real cases, in the identification of potential business targets, identification of the appropriate contacts and resources within the firm, development and implementation of client proposals, and follow-through.

The DBIP would accordingly aim to train associates in business development and professional sustainability and, by utilizing the time of partners and counsel throughout the firm as Advisors to the DBIP, expose diverse associates to leaders of the firm with whom they otherwise might not connect. On the external level, the firm will benefit both from news about the program, and from making contact with potential clients in a targeted manner focused on the changing composition and needs of organizations buying legal services. The Diversity Committee hopes to have the DBIP up and running by mid-2010.

More specifically, the Diversity Committee would administer and oversee the DBIP. The Committee's main roles would be (i) to provide organizational structure and support, and (ii) to monitor the DBIP to ensure that there is a mix of Practice Group participation and that individual partners and firm management are apprised of the DBIP's activities as appropriate. In addition to Diversity Committee participation, we will enlist volunteer partners from each Department, as well as members of the Business Development Department, to serve as Advisors to the DBIP. We have already reached out on an informal basis to Mark Cowan, Tom Keane, and several partners, who have offered support.

Membership in the DBIP would be available to any associate in their fifth year and above. Once the membership is set, we will divide the DBIP into "teams" of four associates, a member of the Diversity Committee, a Partner/Advisor, and a Business Development Department Advisor. The DBIP teams will be assigned the following tasks.

1. Task 1/Six weeks: Preparation of a report, based on experience and research, identifying how diverse organizations and individuals make decisions about buying professional services. The teams' reports will be combined into one report, which will be presented to the Practice Management Committee and Practice Departments. The Diversity Committee intends that this report will be useful to the partnership in terms of understanding how the changing demographics of the legal marketplace correspond to changes in the ways in which clients make decisions about purchasing legal services.

2. Task 2/Six weeks: Identification of four targets for each team. The targets should include at least (i) one entity that is owned by a diverse individual, and (ii) one entity that is led or managed by a diverse person or whose general counsel is diverse. In this phase, the associate team members, with the assistance of the Partner/Advisor and the Business

Development Department, will focus on identifying potential clients based on a number of factors, including matching client needs and industries to our practice and geographic strengths, the size and potential of the prospective client, and contacts with Patton Boggs attorneys or other clients. The Diversity Committee will coordinate with the Practice Departments in order to ensure that pursuit of the potential targets will not create conflicts and that partners with existing relationships with the targets are advised of the DPIG's activities and asked to participate.

3. Task 3/Eight weeks: Research and preparation of presentation to the potential clients identified in Task 2. This segment will include coordination with any Patton Boggs attorneys having contacts with the potential client, and advice from the Partner/Advisor(s) assigned to the DBIP team as to how to approach a potential client, how to research and fashion a pitch, and how to perform effective follow-up. Each presentation will be vetted with the appropriate Practice Department in advance of any meeting with the target.

4. Task 4/Four weeks: Preparation of a report by each team as to the relative success of, and lessons learned from, each client pitch. Publication to the firm of a report on the BDIP's activities, successes, and lessons learned.

2. Ongoing Business Development Efforts

The Committee encourages the Firm to continue to implement measures to institutionalize and reward partners who regularly form diverse client pitch and client service teams. We have begun this process by making this behavior one of the Compensation Committee's specifically identified criteria for compensation awards. Indeed, the Compensation Committee contacted and interviewed the Co-Chairs of the Diversity Committee in order to elicit this information as part of its deliberations on partner compensation. We recommend that the Firm take this evaluation a step further. The Business Development Department maintains a "pitch log" that records client development initiatives, including the members of the client pitch team. However, at this point the pitch log is not used by all partners to report their efforts. The Diversity Committee recommends that a communication be made to all partners that they must report their potential client presentations to the Business Development Team, and that the log will be used at the end of the year by the Compensation Committee to evaluate partner behavior, including the promotion of diversity.

The Firm remains challenged to incorporate diversity more broadly in our business development culture. For example, in external Firm education and marketing programmatic initiatives that showcase Firm talent, the Diversity Committee thinks it is imperative to consistently include our women and minority attorneys in a meaningful way. These opportunities are among the easiest means to promote and document publicly a firm commitment to diversity, yet too often women and minorities remain under-represented on external firm training and educational efforts.

C. Measurement of Progress

Since its inception, the Diversity Committee has debated whether numeric metrics are appropriate to measure the Firm's progress in increasing its diverse population. We recognize the importance of real, measurable milestones; however, numbers do not tell the entire story. For example, our African-American partner population diminished significantly in the past 12 months with the departures of De Smith, Stephanie Peters, and Denise Vanison. Yet, each one of these attorneys took jobs of importance and scope that we believe serve as a testament to the skills learned at Patton Boggs: De becoming the Executive Director of the NFL Players Association; Stephanie heading Microsoft's Federal Government Affairs program; and Denise heading the U.S. Immigration and Custom Enforcement's Policy Department.

We sought input from our Diversity Advisory Board on this topic. The discussion acknowledged the importance of numbers and monitoring trends, which the HR Department currently does. For example, Therese Gross has tracked whether the economic downturn has impacted the hours of diverse attorneys disproportionately. Another key numeric measure of our success in promoting diversity would be annual tracking of the number of minorities and women holding firm leadership positions. The Board also identified the need for a baseline that did not just reflect numbers. This could be accomplished by means of a survey seeking to capture certain key indicators of how our attorneys view the Firm's diversity efforts. For example, one Board member suggested simple questions along the lines of: "Would you recommend Patton Boggs to a family member or friend seeking a job?" Comparing the answer to this question among our attorney groups will inform the Firm as to its progress from year to year. The survey, once designed, can be repeated each year to measure and track trends and developments. The Diversity Committee therefore requests the Firm to approve our seeking proposals from consultants to assist us in designing a survey that can be repeated each year to measure the Firm's progress in its commitment to diversity.

III. Conclusion

As we have in each year since our formation, the Diversity Committee thanks the Firm for the commitment from leadership to diversity, and we thank our Administrative Departments for their active and generous support. We hope to reciprocate this commitment by ensuring that diversity becomes an ingrained component of the Firm's future lateral recruitment and business development efforts and the overall management of the Firm at all levels.