

The Science of Rainmaking: Practical Tools for Diverse Attorneys

April 29, 2010

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By

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The California Minority Counsel Program (CMCP) is the founder of a business development program known as *Corporate Connections*. The main benefits of the program for law firm attorneys include increased opportunity for networking with hiring law departments, the possibility of tangible new business matters, and the opportunity to learn about the science of rainmaking from successful program participants. CMCP's Thought Leadership Committee commissioned a research study which quantitatively measured the impact the program has had in increasing business development opportunities for minority attorneys. The year-long study was conducted by an independent third party Talent Advisory Board Inc. on a pro bono basis, and this report was generously underwritten by Del Monte Corporation.

Business Development Matters

The ability to generate business, while always important to the survival and prosperity of diverse law firm attorneys, is especially critical in today's economy. Diverse attorneys have not historically had equal access to business development relationships or to opportunities to develop these relationships. Diverse attorneys may thus suffer disproportionately in an economic downturn. Consequently, programs that provide enhanced opportunities for diverse attorneys to interact with their in-house counterparts should be of interest to and supported by organizations and individuals that champion the success of diversity in the profession.

Corporate Connections: The program occurs during CMCP's annual fall business conference and matches in-house counsel with diverse outside counsel for purposes of business development. Through the pairing of in-house and outside counsel in a "speed dating" format, this program serves to support and promote diverse attorneys by providing impressive access to opportunities.

CMCP's Thought Leadership Committee commissioned a research study entitled *The Science of Rainmaking: Practical Tools for Diverse Attorneys* to evaluate the opportunities created by *Corporate Connections* and to provide diverse attorneys with business development insights.

CMCP Thought Leadership Committee

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Research Overview: The research study consisted of two components: (1) a quantitative survey of *Corporate Connections* participants designed to measure the program's success in facilitating business relationships and (2) qualitative interviews with a sampling of program participants aimed at identifying the successful techniques used to secure business relationships from the program. Overall, the research study yielded several findings key to understanding the effectiveness of the *Corporate Connections* program and business development in general. First, diverse attorneys who continue to struggle against the unequal access to business development opportunities are generating real business relationships through *Corporate Connections*.

30% of Corporate Connections participants have received direct business and 13% have received referral business through the program.

Second, upon evaluating the attorneys who achieved successful results from the program, some common success factors emerged. Finally, interviews with successful rainmakers revealed that although rainmaking is an art, there is some science to the process of business development, the knowledge of which can improve the success rate of all attorneys.

Survey Results

The quantitative survey component of the research study confirmed that diverse attorneys are, in fact, finding business development opportunities through *Corporate Connections*. The fact that *Corporate Connections* participants have continued to remain involved in the program over the course of multiple years is evidence of the program’s ability to deliver opportunities and results.

The nature of these opportunities tends to vary by firm type. Over the last decade, law firm participation in *Corporate Connections* has shifted from its initial dominance by minority-owned law firms to the current constituency representing a broad mix of diverse attorneys from both minority-owned law firms and majority-owned law firms.

Survey Results by Firm Type: Among the participating attorneys that responded to the survey, 65% were attorneys from majority-owned law firms, while 35% were attorneys from minority-owned law firms. Expectations for the program tend to align by law firm type. While minority-owned law firm respondents generally sought direct and immediate business from the program, majority-owned law firm respondents predominantly hoped to develop contacts which could lead to future business. According to the survey, about 67% of minority-owned law firm respondents expected *Corporate Connections* participation to “Generate Business,” while about 60% of majority-owned law firm respondents expected *Corporate Connections* participation to “Build Networks.”

What is your primary expectation of Corporate Connections?			
	Total	With which CMCP member constituency do you identify?	
		Minority-Owned Law Firm	Majority-Owned Law Firm
	70	24	46
Generate business	34 48.60%	16 66.70%	18 39.10%
Generate referrals	3 4.30%	2 8.30%	1 2.20%
Build networks	33 47.10%	6 25.00%	27 58.70%

This difference in expectations is predictably reflected in differences in program satisfaction ratings. Overall satisfaction with *Corporate Connections* is relatively high. 62% of respondents rated the program as above average. However, the program received a higher rating from majority-owned law firm respondents who essentially expected networking opportunities than it did from minority-owned law firm respondents who expected to receive business in the meeting (70% vs. 46% rating the program above average).

Those majority-owned law firm participants who are satisfied with the program assert that it is an effective vehicle for developing relationships with potential clients who will be more likely to hire their firms through the usual channels for hiring majority-owned firms. *Corporate Connections* allows them to establish personal connections with in-house counsel who they may otherwise not have the opportunity to meet.

Program sponsors are thus well advised to align participant expectations with the likely outcomes of the program. For their part, participants might consider setting their expectations to better coincide with what programs such as these are best able to deliver.

Half the battle is getting in the door, and *Corporate Connections* provides on average two meetings annually for law firms to meet in-house counsel decision-makers.

A key test for program sponsors and participants, however, is the opportunity presented by this channel for business development. With respect to this test, the program seems to compare favorably to other channels such as speaking, newsletters, or networking lunches.

Program Outcomes: On average, survey respondents have participated in *Corporate Connections* for 2.9 years and the program has generated approximately 1.7 meetings with in-house counsel per year per law firm participant. Over the course of their involvement in CMCP, an impressive 30% of respondents received direct business through the program, and 13% of respondents received referral business through the program.

Participation: The program is particularly attractive for those in certain career stages, types of practices and practice areas. For example, the program tends to attract attorneys who work in firms with less brand recognition (two-thirds of respondents were from firms with fewer than 150 attorneys), those who have recently transitioned to a new firm and are looking to re-establish their books of business (more than one-third of respondents were at their firms for fewer than 2 years), those who have significant practice experience (62% have been practicing for more than 10 years) and those more junior attorneys who are seeking business development training (one-third of respondents were associates).

Practice Area Profile: There is a large representation by litigation attorneys who comprise 72% of survey respondents vs. transactional attorneys who comprise 25% of respondents. There is also a large representation by those who practice Labor/Employment Law (26%), followed by Intellectual Property (15%), and Real Estate (8%). Labor/Employment attorneys may be finding the best client opportunities at *Corporate Connections*.

Client Rating: With respect to company representation, respondents for the most part rated as high the quality of potential client companies that participate in the program. For example, 34% of respondents rated the participating companies as Excellent and 51% as Good. However, 58% of Labor/Employment attorneys rated the quality of potential client companies that participate in the program as Excellent, which is higher than any other practice area and much higher than the total population of respondents of which 34% rated participating companies as Excellent.

Forty percent of respondents derive their largest share of business from Large Institutions (greater than \$1 billion in annual revenue), and 31% derive their largest share of business from Middle Market Companies (\$100 million to \$1 billion in annual revenue). The survey data shows that litigation attorneys generate most of their business from larger companies who are attending *Corporate Connections*, while transactional attorneys generate a large percentage of their business from earlier stage companies that have not historically participated. While Large Institutions and Middle Market Companies provide 83% of a litigator’s total book of business, the same types of companies provide only 44% of a transactional attorney’s total book of business. Emerging Companies (between \$10 million and \$100 million in annual revenue), Early Stage Companies (less than \$10 million in annual revenue) and Other types of institutions (e.g., public sector) provide 17% of a litigator’s total book of business, while the same types of companies provide 56% of a transactional attorney’s total book of business.

Which type of client provides the largest share of your total current book of business?				
	Total	What is the primary nature of your practice?		
		Transac-tional	Liti-gation	Other
	72	18	52	2
Large Institutions	29 40.30%	4 22.20%	25 48.10%	0 0.00%
Middle Market Companies	22 30.60%	4 22.20%	18 34.60%	0 0.00%
Emerging Companies	6 8.30%	1 5.60%	5 9.60%	0 0.00%
Early Stage Companies	6 8.30%	4 22.20%	1 1.90%	1 50.00%
Other	9 12.50%	5 27.80%	3 5.80%	1 50.00%

Participant Demographics: The conference site alternates annually between Northern and Southern California. As might be expected, the participants in the program mostly practice in the region in which the conference is being held. The conference was held in San Francisco in 2008, and two-thirds of respondents were located in Northern California while one-third were located in Southern California or elsewhere. The demographic weighting of minority participants generally reflects the demographics of the region, while gender demographics generally reflect that of law school graduates.

What is your racial/ethnic background?		
African American	10	14%
Asian	28	41%
Caucasian	12	17%
Hispanic/Latino	15	22%
Multi-Racial	3	4%
Native American	0	0%
Other	1	1%
Total	69	100%
What is your gender?		
Female	38	56%
Male	30	44%
Total	68	100%

Rainmaking at Corporate Connections

Respondents in the following categories had greater success in generating direct business from the program than their counterparts: minority-owned law firms, small law firms (2-9 attorneys), labor/employment attorneys, respondents with 10+ years of program experience and respondents who met with 10+ companies through the program.

Common Factors across Rainmakers:

Law Firm Type: 63% of minority-owned law firm respondents generated direct business vs. 13% of majority-owned law firm respondents.

Law Firm Size: 75% of law firms with 2-9 attorneys generated direct business vs. 17% of all other sized law firms.

Practice Area: 53% of labor/employment attorneys generated direct business vs. 22% of all other practice areas.

Prior CMCP Corporate Connections Participation: 83% of those respondents who have participated for 10+ years have generated business vs. 25% of those who have participated for less than 10 years.

Number of Meetings: 80% of those respondents who have met 10+ companies through the program have generated business vs. 16% of those who have met fewer than 10 companies.

Return on Investment: For those who have been successful in generating at least one client, the return on investment is high for respondents who received revenue and origination credit. When including only those respondents who reported generating at least one client through the program, the average direct revenue per respondent is nearly \$60,000 annually. The average annual referral revenue for those respondents who generated at least one client is over \$40,000 annually. Minority-owned law firms who are focused on investment returns relative to the time spent out of the office (1-2 days) and program and travel costs (\$1000-\$2000) can achieve a significant ROI if successful in securing business.

The Science of Rainmaking

In conjunction with the quantitative survey, qualitative research was conducted with *Corporate Connections* participants who have successfully developed business relationships through the program. The following law departments who have hired law firms through Corporate Connections and CMCP more broadly (CMCP Hiring Law Departments) and minority-owned firms who have secured business through Corporate Connections and CMCP more broadly (CMCP Rainmakers) provided some tips for diverse attorneys at a business development panel during the 2008 CMCP Conference.

Hiring Law Departments & Rainmakers

Dennis Herrera, City of San Francisco
Tony Paikeday, Silicon Counsel LLP
Rhonda Bethea, Del Monte Foods
Lara Villarreal Hutner, Villarreal Hutner PC
L. Kathleen Durousseau, Longs Drug Stores
Sergio Garcia, Reed Smith LLP

First, diverse attorneys should develop a business development strategy in which they do the following:

1. Target a list of potential clients who value diversity, but don't make diversity the exclusive element of the pitch.
2. Determine what work/projects outsourced by those clients could realistically be handled by their firm.
3. Determine who makes the actual hiring decision and what the hiring criteria are.
4. Recognize that the hiring process varies from client to client and can be more, or less, systematic.

Second, diverse attorneys should participate in CMCP, including *Corporate Connections* to widen their exposure to potential business partners:

5. Get involved with CMCP committees; network at CMCP events.
6. Attend *Corporate Connections* with a plan that includes securing the proper matches (or at least understanding how to make the most of the matches received) and setting realistic short-term and long-term expectations.
7. Recognize that client development takes time; persevere after the first meeting.
8. Follow up in an effective (client-focused) manner.

Finally, diverse attorneys should understand what represents value to the client and exceed the client's expectations, enabling them to:

9. Increase work with existing clients and
10. Obtain client referrals for new clients.

The research study associated with the panel also provided detailed perspectives on business development from over a dozen interviews with CMCP members including both CMCP Hiring Law Departments and CMCP Rainmakers. The qualitative findings are at the end of this report.

In Summary

As illustrated by the qualitative and quantitative research findings, *The Science of Rainmaking* research study evaluated the effectiveness of the CMCP *Corporate Connections* program and the process of business development for diverse attorneys. Although there is no quick and simple route to advancing diversity in the legal profession, *Corporate Connections* provides diverse attorneys with unique opportunities. With increased access to developing business, diverse attorneys can also leverage the following lessons from successful rainmakers: (1) determine realistic expectations for business development programs based on firm type, (2) identify programs that meet these expectations given the practice area, (3) measure success with business development channels over time, (4) learn the science of the business development process, and (5) leverage personal attributes to be successful at the art of rainmaking.

We hope that the findings from this research study will serve to increase awareness of CMCP's *Corporate Connections* program, and encourage others to create similar programs which not only offer meaningful business development opportunities but also guide diverse attorneys in successfully developing the business required to survive and succeed at this critical time in the legal profession.

Research Methodology

CMCP's Thought Leadership Committee commissioned Talent Advisory Board Inc., a boutique management consulting firm focused on advancing workforce diversity in the legal profession, to conduct a research study entitled *The Science of Rainmaking: Practical Tools for Diverse Attorney*. The research study was conducted over the course of the 2008 calendar year by Tina Paikeday and Diane Lu and consisted of two components: a quantitative survey of *Corporate Connections* participants designed to measure the program's success in generating business relationships, and qualitative interviews with a sampling of program participants aimed at identifying the successful techniques used to secure business relationships from the program. The qualitative interviews were conducted with over a dozen attorneys during the summer of 2008, and 72 outside counsel members participated in the quantitative survey during a period of two weeks in October 2008. In-house counsel attorneys were also surveyed, but the sample size was insufficient to report meaningful results.

Answers from CMCP Hiring Law Departments

What type of matters do you typically outsource to minority-owned firms? The type of legal matters outsourced to outside counsel varies by law department and can range from almost all matters for small law departments to only specialized matters for those law departments which are budget constrained.

Large firms have historically been hired by law departments because many hiring attorneys are familiar with large firms from their prior practice. However, small minority-owned firms are increasingly considered for matters because they offer significant cost advantages and quality similar to or better than large firms. Small firms should pitch for cases that they can handle. Minority-owned firms have often been hired for employment litigation, a practice area in which minority-owned firms have a strong presence. Those law departments which have preferred vendor lists find it easier to include minority firms in the process when the work is predictable and there is more of a formal hiring process.

How has your involvement in CMCP and Corporate Connections enabled minority firm hiring? Dedicated CMCP members have hired minority-owned firms through *Corporate Connections* and other CMCP networks, but this is not true for all in-house CMCP member companies. Law departments attend *Corporate Connections* to identify minority-owned firms with whom they might like to work. There usually is not a specific open matter for which outside counsel is being sought at the meeting, although sometimes such an opportunity exists.

Who on your team is responsible for hiring decisions and who attends *Corporate Connections*? Hiring decision-makers vary by law department and can include the general counsel, practice area hiring attorneys and the law department manager who often identifies and suggests firms. It is most common for the hiring decision-maker to attend the program.

What is your expectation of the meeting? Outside counsel should have researched the needs of the company, relevant cases, and the attorney with whom they are meeting. Outside counsel should demonstrate their expertise and a real commitment to diversity. The pitch should be tailored to the needs of in-house counsel.

What is your process for sourcing open matters and how does this differ for general relationship development? If a firm is identified at *Corporate Connections*, the firm will be placed into the law department's normal hiring process, whether that is an RFP, a meeting with the general counsel and relevant hiring manager, or both. If there is an open matter, it will typically take one to two months to bring in a firm for a meeting and then complete the hiring process. For general relationship development, some law departments centralize a preferred vendor list, and others leave it to a hiring manager's rolodex. If the hiring attorney is in a different practice area than outside counsel, then sometimes there may be an informal referral internally if outside counsel has made a very positive impression, but this is atypical. When there is no open matter, the length of time to hiring a firm depends on the practice area.

What are your hiring criteria? Hiring criteria varies by law department but will generally include expertise, cost, diversity, suggested strategies for the matter and project fit. Objective criteria are used to reduce the number of candidates to a manageable set, and judgment is then applied to determine who will best serve the client for a particular matter.

Do you have a list of preferred minority-owned firms, and how is diversity hiring rewarded in your department? Law departments are generally poor consumers of legal services in terms of systematic processes. In addition to CMCP's *Corporate Connections*, minority-owned firms are often sourced through networking at minority bar associations and related directories. Rather than keeping a specific list of preferred minority-owned firms, minority-owned firms are integrated into the regular process whether that involves an RFP or a general preferred vendor list for a practice area. The challenge is that this is often done very informally and without a systematic process. With respect to rewards, most law department attorneys are given bonuses for hiring minority-owned law firms, but tracking systems have not been sufficient to measure large firm diversity. For law departments with diverse customers, hiring diversity makes good business sense and is effectively embedded into the performance system.

Answers from CMCP Rainmakers

Are you a minority/woman-owned firm or a minority/woman at a large firm and do you face any business development obstacles as a minority/woman? CMCP Rainmakers were most often found to be minority-owned firms with five to ten attorneys. Being small is a greater obstacle than being a minority/woman with respect to generating business from corporate law departments. The perception of small firms is that overall capabilities may be limited, and higher service levels are expected for substantially lower rates.

How would you describe your business development style? Although the best rainmakers will tailor their approach to be consistent with their own personal style, CMCP Rainmakers are very strategic about their target companies and understand the value of referrals.

What vehicles do you primarily use to generate revenue? For some practice areas such as transactional work, client service is the best revenue generation vehicle since existing clients generate the majority of new projects. Other practices such as litigation may rely more on new clients, and referrals were cited as the most important source of new business. Referrals can be both in-bound and out-bound, and rainmakers are often proactive about asking their networks for referrals to potential target clients.

How has your involvement in CMCP enabled business development? An impressive roster of clients have been sourced through CMCP, including Gap, PG&E, McKesson, Wells Fargo, Del Monte, Safeway, Clorox, Chevron, Cisco, Qualcomm, the City of San Francisco and California State University. However, of these clients, less than 20% were sourced through *Corporate Connections*, and more than 80% were sourced through networking at CMCP events, participation on CMCP Committees, and outreach to fellow CMCP members.

Who on your team registers for Corporate Connections? Most often the Managing Partner of minority-owned firms attends the meeting, and that person is typically a minority and/or woman who can speak to the importance of diversity. Sometimes an associate or another partner may attend together with the Managing Partner. The opportunity is perceived as such a

valuable one that the firms want to demonstrate their level of interest by sending their most senior attorneys. *Corporate Connections* is not typically viewed by CMCP Rainmakers as an opportunity to practice business development.

What preparation do you do for the meetings? Most of the preparation is focused on preparing a unique pitch for the firm – why it was started, where the founders came from, how the practice has been growing and the unique advantages it has to offer. Some research is done on the company, its matters and the participating attorney, but the expectation of securing business is low so the investment is perceived as relatively expensive in terms of opportunity cost.

What is the focus of the discussion and how does this change based on who attends the meeting from the company side? The discussion focuses on the client's needs and how the firm can best serve them. If there is a pairing with an attorney in a different practice area, CMCP Rainmakers will sometimes try to swap meetings with another company because low expectations exist for referring work.

What process do you use for follow-up and what do you do to renew the business once the initial project is complete? CMCP Rainmakers generally follow up by email the day after the conference to demonstrate interest and generate momentum. When there is an open matter, CMCP Rainmakers typically secure the business and begin work within two months of *Corporate Connections*. In order to renew clients, rainmakers provide exceptional service. Several CMCP Rainmakers have been recipients of, or nominated for, CMCP's Client Service Award.

Can you quantify benefits you have received from Corporate Connections? The value of attending the CMCP conference and *Corporate Connections* in conjunction with CMCP membership is perceived as high because it affords the opportunity to get in front of in-house decision-makers – which otherwise might be difficult. The return on investing 1-2 days to attend the CMCP conference, the conference fee, and travel costs can therefore be significant. The CMCP Rainmakers intend to keep attending *Corporate Connections* annually and recommend it strongly to minority attorneys.