

Dealmaker's Guide to Interrupting Gender Bias

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The “Business Case”

- ▶ The business case for increased diversity within organizations is well-established
- ▶ Diverse teams excel
- ▶ For example, one study assessed the effect of increased gender diversity in leadership of top firms in Standard & Poors Composite 1500 index. They found that, on average, female representation in the top ranks was an indicator for greater sustained business success in both growth and profitability.¹
- ▶ Another study, conducted by Credit Suisse, of 2,360 companies across the globe found that companies with one or more women on the board of directors had higher average returns on equity, lower gearing, and better average growth.²

1) Does Female Representation in Top Management Improve Firm Performance? A Panel Data Investigation, August 2011

2) The CS Gender 3000: The Reward for Change Report Analyzing the Impact of Female Representation in Boardrooms and Senior Management, September 2016

The “Business Case”

Clients expect diversity.

- ▶ As corporate clients achieve improved diversity in their leadership teams, they expect their advisors to do the same.
- ▶ The Minority Corporate Counsel Association's 2017 Annual General Counsel Survey indicated that women were now leading the legal departments of 132 of the Fortune 500 companies.¹
- ▶ More than 170 corporate legal officers recently signed an open letter to big law firms, saying that their companies will prioritize their legal spend on those firms that commit to diversity and inclusion.²

“We, as a group, will direct our substantial outside counsel spend to those law firms that manifest results with respect to diversity and inclusion, in addition to providing the highest degree of quality representation.”

1) **Breaking Through the Concrete Ceiling**, Winter 2017

2) **170 GCs Pen Open Letter to Law Firms: Improve on Diversity or Lose Our Business**, January 2019

More on the Business Case

- ▶ **BlackRock** has also stated that its Investment Stewardship team will likely vote against directors on boards that don't make progress on diversity and that deliberate action needs to be taken by boards with a lack of diversity.
- ▶ **State Street Advisors** voted against 400 corporate boards in 2017 that failed to nominate female directors. During the first half of 2018, through several country proxy voting seasons, State Street Global Advisors voted against 581 companies for again failing to take action regarding board gender diversity.
- ▶ **Facebook** implemented a new policy in 2017 requiring women and ethnic minorities to account for at least 33% of law firm teams working on its matters.
- ▶ **Move the Needle Fund** – new initiative of 5 law firms and 26 general counsel with commitments on diversity

Also available as part of the eCourse

[2019 Mergers and Acquisitions eConference](#)

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