Figure 1. Percentage Shares of Work for BASF Corporation

Data Source: Parker Analytics

Parker Analytics (PA) developed the Diversity Scorecard in partnership with BASF Corporation to increase the diversity of external legal teams and in the legal profession generally. Today many Corporate Legal Department (CLD) leaders use the Scorecard to:

1. Increase the number of diverse relationship partners.
2. Increase diversity in law firm leadership.
3. Increase diversity in law firm headcounts.
4. Increase the share of CLD work performed by attorneys of color, women, and all underrepresented groups.

PA has compelling evidence the Scorecard helps CLD leaders achieve these goals (see trends in Figure 1). Relying on the PA Diversity Scorecard to support

its outside counsel diversity program, BASF Corporation realized a series of significant diversity gains between 2016 and 2021:

1. Number of diverse relationship partners on matters more than doubled.
2. Diverse representation in Leadership increased 9%.
3. Work performed by Associates of Color increased 46%.
4. Work performed by Women Associates increased 28%.
5. Work performed by Women Partners increased 24%.
6. Work performed by Partners of Color increased 11%.

PA's Diversity Scorecard enables the CLD to engage law firm leaders in an objective, collaborative dialogue. Scorecard results direct priorities and allow the CLD and law firms to evaluate progress on a year-over-year basis.

The Scorecard process relies on demographic data collected through a CLD-branded online DEI survey. PA handles the launch and all follow up required to collect rich quantitative and qualitative data. The Diversity Benchmarking Report provides the CLD with a comprehensive set of results about the relative standing of their law firms against one another as well as the large law firm market (see the enclosed Diversity Benchmarking Report Samples). The Scorecard, Action Items and year-over-year comparisons track annual progress and help leaders set objective, testable goals for each participating law firm in the coming year.

PA's Diversity Scorecard was named an Innovation in Diversity at the Leadership Council on Legal Diversity's Annual Leadership Summit and showcased in a Harvard Law School Case Study.

### How the Diversity Scorecard Works

The PA Diversity Scorecard introduces a proprietary metric, the Diversity Index, to assist in tracking firms' diversity, equity and inclusion efforts. The Index has a minimum possible score of 0 and a maximum possible score of 100. PA assigns points on 32 metrics vs. market benchmarks. The metrics cover four main areas:

- Leadership (Relationship Partner(s), Firmwide Committees)
- Headcount
- Work Performed for the Corporate Legal Department
- DEI Policies

The Diversity Scorecard includes the following metrics:

- The firm's Diversity Index and the comparison of the Index vs. total annual fees;
- Comparative metrics that show overall performance relative to the legal service providers selected by the CLD;
- Breakdowns of firm attorney headcount shares (partners, associates, all attorneys) by diversity category;
- Breakdowns of shares of work performed for the CLD (partners, associates, all attorneys) by diversity category; and
- Scoring for the firm's DEI policies.

Key takeaways provide a narrative summary of each firm's relative standing. State-of-the-art data visualizations make it easy to see a firm's diversity status in relation to other CLD Firms. For an example, see the enclosed Diversity Scorecard for Firm.

### Why the Diversity Scorecard Works

PA uses a proprietary scoring system and a large proprietary data set to analyze the data and produce short, easy-to-grasp data summaries. The time commitment on the part of the CLD is minimal even though the results are game changing. The Scorecard provides an objective foundation CLD leaders use to convey that diversity and inclusion is an evaluative factor and that the CLD expects to see focused improvement over time.

The second and subsequent annual Scorecard processes begin with a review of results from the past season(s), a consideration of additional metrics, and an evaluation of additional ways the Scorecard can support the CLD to achieve its diversity objectives.

### About Parker Analytics

Parker Analytics (PA) employs data science, social science and systems design to challenge established thinking, solve complex business issues and accelerate progress in the legal profession. Our work enables clients to rise above industry benchmarks and outperform their competition.

PA is the official analytics partner to the Leadership Council on Legal Diversity (LCLD) and works with many Member corporate legal departments and firms to

increase diversity within their organizations and the profession. Our Diversity Scorecard, developed in collaboration with BASF, was named an Innovation in Diversity at the LCLD Annual Leadership Summit and the subject of a Harvard Law School Case Study. PA is on the Advisory Board of Law 360.

PA serves as advisor to best-selling author Malcolm Gladwell as he collaborates with our clients to explore the immediate and long-term impact of our Talent System—specifically, its ability to eradicate inefficiencies in legal talent selection, development and advancement.

Kathleen Fredriksen
Managing Partner
Email: kat@parkeranalytics.us
Direct (917) 733 6758

Evan Parker, PhD
Founder
Email: evan@parkeranalytics.us
Direct (919) 454 1119