

Spotlight on Diversity

Altria Group, Inc.—Passionately Striving for Success in Diversity and Inclusion

By Sandra Giannone Ezell

This is the ninth article in the *In-House Defense Quarterly* series spotlighting the diversity initiatives of in-house legal departments. Recently, we met with the men and women who serve on the Diversity Committee of the Altria Law Department at Altria’s headquarters in Richmond, Virginia, to discuss their diversity initiatives, goals, and successes. These men and women were eager to talk about Altria’s commitment to enhancing diversity, both inside and outside the company.

With deep American roots that date back more than 100 years, Altria Group, Inc. stands as an example of enduring business success. Altria’s family of companies includes Philip Morris USA, U.S. Smokeless Tobacco Company, John Middleton, Ste. Michelle Wine Estates, and Philip Morris Capital Corporation. Its mission is to own and develop financially disciplined businesses that are leaders in responsibly providing adult tobacco and wine consumers with superior branded products, and Altria’s businesses do exactly that. Philip Morris USA holds approximately half of the U.S. retail-cigarette market; U.S. Smokeless Tobacco Company is the leading producer and marketer of moist smokeless tobacco in the United States; John Middleton manufactures the second-best-selling large, machine-made cigar in the country; and Ste. Michelle Wine Estates is one of the top 10 produc-

ers of premium wines in the nation. With popular brands such as Marlboro, Black & Mild, Copenhagen, Skoal, Chateau St. Michelle and Columbia Crest, Altria stands as an example of quality manufacturing and distribution.

**Diversity and Inclusion—
A Strategy for Continued Success**

Altria believes a diverse and inclusive workforce directly contributes to its success. The company strives to attract diverse employees with different backgrounds and

programs for African Americans. The company supports fellowships and internships with the Congressional Black Caucus Foundation, the Congressional Hispanic Leadership Institute, and the Congressional Hispanic Caucus Institute. Altria also provides scholarship support to the Thurgood Marshall College Fund, the Virginia Foundation for Independent Colleges, and the Hispanic Scholarship Fund.

Altria’s diversity efforts focus not only on the individuals directly employed by the Altria companies, but also on the suppliers with which they do business. Altria believes its companies benefit from working with a network of diverse suppliers whose energy and creativity help make Altria’s companies more productive and profitable. For decades, Altria companies have reached out to minority-

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to create an environment in which all of its employees feel respected and valued. Ara Shepard, Associate Director of Diversity and Inclusion, Altria Client Services Inc., told us that diversity at Altria is about more than race, gender, background, physical ability, or sexual orientation. He said it is also about creating a work environment that enables employees’ unique perspectives and ideas to be heard and impact the company.

To attract and cultivate a talented and diverse base of employees and future leaders, the company supports numerous leadership and development programs. Altria founded the Hispanic Association on Corporate Responsibility’s Young Hispanic Corporate Achievers Program, which recognizes young Hispanics with demonstrated leadership qualities. The company also has supported the Executive Leadership Council and its talent development

owned and women-owned businesses to supply essential goods and services. Altria also partners with the Virginia Minority Supplier Development Council, the University of Richmond Robins School of Business, and several Richmond-based corporations to develop leadership programs for the CEOs of certified minority-owned businesses.

Altria’s commitment to diversity and inclusion has not gone unnoticed. The many accolades it has received in recognition of its efforts include the 2010 Virginia Minority Supplier Development Council “Raising the Bar” and “Lasting Impressions” awards; ranking as one of “America’s Top Organizations for Multicultural Business Opportunities” by DiversityBusiness.com in 2010 and 2011; and recognition by *Diversity Inc.* as one of the top “25 Noteworthy Companies” and one of the “Top 10 Companies for Blacks” in 2011.



■ Sandra Giannone Ezell, the managing partner of Bowman and Brooke LLP’s Richmond, Virginia, office, is an experienced trial lawyer who defends corporations in product liability and commercial matters. She also works, through writing and frequent speaking engagements, to improve the legal profession both locally and nationally by promoting diversity and inclusion in all aspects of the practice of law.

Leading by Example—The Altria Law Department

At the helm of the Altria Law Department is Executive Vice President and General Counsel Denise Keane. Keane joined Philip Morris USA in 1977 as the company's first female attorney. When she started, Keane never anticipated spending her entire career with one organization, but she discovered that Altria provided challenges, opportunities, and a group of smart, ethical, and committed individuals who worked together to make the company a market leader. During her more than 30 years with the company, Keane has held many positions and has helped the company successfully navigate a tumultuous legal landscape.

Keane believes that diversity and inclusion are essential to providing top-notch legal services, which is why she is dedicated to creating and sustaining a diverse and inclusive legal department. According to Keane, "Altria's Law Department believes that a culturally sensitive workplace that fosters and capitalizes on diversity of perspective is better able to serve the company's business objectives and produce better results. Diversity of thought is critical and it comes from having a diverse group of individuals." Keane currently leads a legal team of over 140 employees, of which 27 percent are minorities and 64 percent are women.

"Diversity is not a flash in the pan; it is consistent and ingrained in the company's employees," says Sigmund Collins, Senior Counsel of Altria Client Services and a Diversity Committee member. During his eight years with the Law Department, Collins has learned that diversity and inclusion are more than words or programs; they are core values of the Law Department and the company. "When you see efforts to promote diversity and inclusion consistently being made, you know it's real—a company does

not make that much of an effort if they don't believe in it," says Collins.

Altria lawyers contribute to the diversity and inclusion dialogue through active

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involvement in diversity groups and by speaking at diversity-related events, including the DRI Diversity Seminar and Expo, the MCCA Diversity Conference, the MCCA Diversity CLE, Leadership Council on Legal Diversity, the National Asian and Pacific Bar Association, and the Virginia Asian Bar Association.

Recently, the Minority Corporate Counsel Association (MCCA) named the Law Department of Altria Group, Inc. its 2011 Employer Choice Award winner for the Mid-Atlantic Region. The Employer Choice Award spotlights corporations that make outstanding contributions to building and fostering diversity. The award was presented on September 27, 2011, at the MCCA inaugural Diversity Honors Gala at Lincoln Center in New York City.

Inspiring Diversity and Inclusion in Outside Counsel and the Legal Profession

Altria recognizes the importance of a culturally diverse workplace to the quality of its outside counsel's services. A number of outstanding law firms from across the country represent Altria and its family of companies on an array of legal matters affecting all aspects of its business operations. According to Keane, Altria makes it clear to outside counsel firms that "the Law Department expects our firms provide opportunities to all employees at all levels within the firm, including women, minorities, individuals with disabilities, LGBT individuals and covered veterans. Altria believes that a culturally sensitive workplace that fosters and capitalizes on diversity of perspective is better able to serve Altria's needs and can produce better results."

Altria works with its outside counsel to ensure that a diverse group of lawyers and legal professionals work on its matters. Altria considers diversity data from its outside counsel and from Vault/MCCA surveys and expects improvement. "Our law firms have to move beyond just a commitment to diversity, and actually become more diverse," says Kamran Khan, Assistant General Counsel, Altria Client Services Inc. and the Law Department's Diversity Committee chair.



Denise Keane accepting the MCCA Employer of Choice Award.



Kamran Khan, chair of Altria's Diversity Committee.



Daphne O'Connor, member of Altria's diversity committee.

Altria also conducts qualitative analyses to determine how the firms are performing against its diversity objectives. When the Law Department engages outside counsel, they communicate to the firm that it is not acceptable for the firm to “default” to the same roster of attorneys and legal staff. “The law firms we work with realize that our business relationships are not just about the firms, they are about the individuals at the firms,” says Khan.

Altria's commitment to hiring diverse attorneys includes expanding its list of outside counsel firms. Daphne O'Connor, Vice President and Associate General Counsel, Altria Client Services Inc. and Diversity Committee member, spends much of her time scouting out new diverse outside counsel talent. “There was a time when the company's first-chair trial lawyers were all white men and most of its second-chair trial lawyers were white men, which did not reflect the typical jury pool,” O'Connor recounts. Over the last three years, Altria has added five new diverse first-chair trial lawyers to its roster. It may sound easy to pick up the phone and hire someone or a firm to do some work, but the process is an arduous one. O'Connor searches continuously and taps every resource to find the best fit for the

company's needs. From word of mouth to the conferences of DRI, the MCCA, and the National Association of Minority & Women Owned Law Firms (NAMWOLF), to Internet research, the priority drives a substantial and continuous effort. O'Connor says that in addition to bringing on new talented, diverse outside counsel, “we have to look also at our current firms and to think about whether that firm is developing the necessary diverse talent.”

Altria has developed innovative ways to stress the importance of diversity and inclusion to its outside counsel, including hosting CLE days. Altria developed the CLE program to introduce members of the Law Department to diverse outside counsel with whom the Law Department may not have worked. Participating attorneys present live CLE programs to the Law Department, which gives them the opportunity to showcase their particular expertise. The obvious benefit to the Law Department is that members obtain required CLE credit, but the “challenge from a diversity perspective and the real focus,” according to Michael Klein, Assistant General Counsel, Altria Client Services Inc. and Diversity Committee member, “is how this effort by outside counsel will translate into business for their firm.” According to Klein, the Diversity Committee consistently impresses on the other members of the Law Department the need to expand the roster beyond the usual suspects and to offer work to these new, diverse, talented attorneys.

Altria also holds an annual diversity roundtable for its outside counsel. “The purpose of the roundtable is to foster a diversity dialogue and encourage firms to share diversity best practices and ideas,” says Khan. The Law Departments shares with all the attendees an overview of the diversity reporting. The Law Department invites diversity speakers and experts external to the company to provide advice

and to propose joint solutions to diversity-related issues. In 2010, more than 70 people attended the round table. After the round table, the Law Department follows up with each of its outside counsel firms to discuss their diversity efforts and challenges.

Altria recognizes that along with economic difficulties law firms continue to face retention challenges, including feelings of

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isolation among diverse and women attorneys, lack of minority and women role models and mentors, lack of a work-life balance, and insufficient feedback and professional development. While it recognizes the challenges faced by its outside counsel, Altria endeavors to

work with its firms to ensure that diversity and inclusion do not take a back seat to other firm objectives. As part of this effort, Altria piloted a Diversity Summer Intern program with one of its outside counsel firms this past summer. Altria also focuses on outside counsel secondments as an op-



Mike Klein, member of Diversity Committee



Panelists speak during Altria's 2011 Diversity Roundtable. From left to right: Mike Klein of the Altria Client Services Law Department, Lori Garrett of the Minority Corporate Counsel Association, Gay Tedder of Shook Hardy & Bacon, and Bill Cook of Arnold & Porter.

portunity for diverse lawyers to build relationships with the company.

Positive strides forward require law firm managers to buy into and commit to improving the opportunities for diverse and women attorneys. Although, as Keane points out, advancement and retention are two-way streets. "Management has to give people varied experiences with different clients and varying levels of responsibility, but the individual attorney needs to be prepared to take advantage of these opportunities, stand for something and find the voice to deliver for the profession, the firm and the client," Keane says.

To recognize its outside counsel law firms' efforts and achievements, the Altria

Law Department developed the Diversity and Inclusion Award. Outside counsel firms are evaluated on a number of criteria, including overall diversity, commitment to diversity, inclusion, and diversity leadership within the legal profession. Last year, Shook, Hardy & Bacon LLP received the Altria Law Department first Diversity and Inclusion award in recognition of its demonstrated leadership in diversity and inclusion efforts among Altria's outside counsel.

Conclusion

For Altria, diversity and inclusion are ongoing business objectives and corporate obligations. Every member of the Diversity Committee will tell you that the champions

of diversity and inclusion must constantly strive for success. "Diversity is a destination," says Keane, "it is always a process and you must continue to work at it."

Shine the Diversity Spotlight on Your Company

For the past three years, we have featured companies in this spotlight series in the hope that we would inspire your company's diversity efforts. We want to spotlight your story. If you would like to share your company's diversity successes and challenges, please contact me at sandra.ezell@bowmanandbrooke.com.