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# The Coca-Cola Effect: New Diversity Guidelines Intrigue In-House Leaders

“The reaction has been incredible,” said Coca-Cola general counsel Bradley Gayton.

By Phillip Bantz (<https://www.law.com/corpcounsel/author/profile/Phillip-Bantz/>) | February 09, 2021 at 01:26 PM

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*A glass full of Coca Cola painted in a old wall in Atlanta, Georgia on dec 04, 2013. Photo: Luciano Mortula – LGM/Shutterstock.com*

The Coca-Cola Co.'s new diversity guidelines are the real thing. In-house leaders are taking note.

Bradley Gayton

(<https://www.law.com/corpcounsel/2020/07/24/ford-general-counsel-bradley-gayton-looks-back-on-diversity-struggles-triumphs/>), the Atlanta-based beverage giant's general counsel and a staunch diversity advocate who formerly led The Ford Motor Co.'s legal department, reports that he's already "had a number of legal departments reach out" since he announced (<https://www.linkedin.com/pulse/open-letter-commitment-diversity-belonging-outside-counsel-gayton/?trackingId=hF5DSRHfQ6yqNW4u84LD4Q%3D%3D>) Coca-Cola's diversity standards Jan. 28.

"We can enact greater change with more organizations on board, so I am happy to share my experience and help where I can," Gayton said. "Those discussions will take place over the next few weeks."

Coca-Cola is demanding that at least 30% of the lawyers on its new cases be diverse, and half of that team must be Black. The company's law firms also have to provide quarterly reports on the diversity of teams working on Coca-Cola's matters and explain how origination credit is awarded to those lawyers.

Firms that fail to meet the requirements for two consecutive quarters will lose 30% of their fees as part of a nonrefundable penalty. Continued failure could result in the firm losing the company's business entirely.

Coca-Cola is building a panel of preferred outside law firms over the next year and a half and is already having discussions with many of its firms about how they can meet the guidelines. The talks are “broadly focused on the capabilities within the four walls of the firm and understanding where strategic partnerships make sense,” Gayton said.

“The reaction has been incredible,” he said. “I’m both proud and humbled by the broad support from so many firms, legal departments and individuals across the business community. I also appreciate the discussion this has encouraged. Meaningful conversation is the first step to committing to actions that can have an impact.”

Coca-Cola hasn’t identified the legal departments that have reached out to the company in response to the diversity guidelines. But Corporate Counsel spoke with several in-house leaders who applauded the company’s actions—though none were certain about whether their firms would be emulating Coca-Cola.

“Visa has a pretty robust law firm diversity program, where we recognize our top firms by looking at their metrics and goals. But I was really intrigued by what Coca-Cola is doing and I’m going to take a close look at it,” said Visa Inc. general counsel and senior vice president Julie Rottenberg in San Francisco.

“We’re still looking at exactly what Coca-Cola did and what makes sense for Visa. So I don’t know that I can opine on whether we’re going to go exactly in the same direction. What I would say is I feel really great about the program we’ve had over the past few

years,” Rottenberg said. “Coke added some other elements to their program and it’s something we’ll certainly give some thought to.”

LegalZoom.com Inc. general counsel Nicole Miller said she admires what Coca-Cola is doing as “legendary brands like theirs have tremendous influence, and we hope this inspires other companies to follow suit.”

Miller did not explicitly say whether her Glendale, California-based company would follow Coca-Cola’s lead. But she said LegalZoom.com is in the midst of overhauling its law firm billing policy’s diversity, equity and inclusion guidelines.

She added, “To not consider diversity, equity and inclusion in how we do business would go against our core values.”

Asked whether his legal department would emulate Coca-Cola, Seth Krauss, chief legal officer at Endeavor in New York, and a board member of the Minority Corporate Counsel Association, answered bluntly.

“I believe that it’s on me to go out and make efforts to diversify my own network. I don’t need any other GC to inspire me to do this,” he said. “What I do like is that these are all tools in the toolbox. You want to see how things work. I applaud him [Gayton] for trying something and I hope it works and translates into the results that he needs.”

Krauss also noted that Coca-Cola spends more on outside legal fees than many other law departments. The latter departments might lack the kind of

leverage required to push similarly aggressive diversity requirements.

“I doubt, in a macro sense, that this is the individual, quintessential moment,” Krauss said. But he added, in his view, the most important thing Coca-Cola and Gayton have done is to spark further conversation.

“It’s forcing us all to look in the mirror and answer the question, ‘What am I doing?’” he said.

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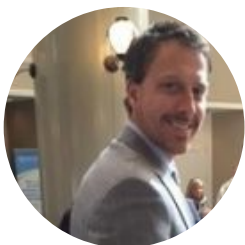
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Phillip Bantz is a reporter for Corporate Counsel. Follow him on Twitter @PhillipBantz.

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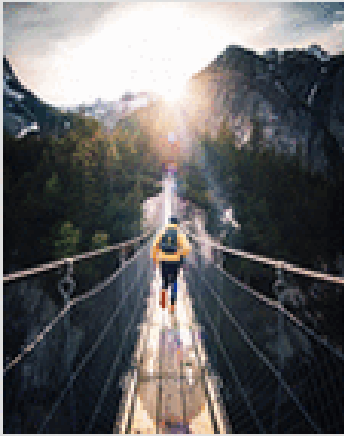
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