

CAREER DEVELOPMENT

The diversity 'sea change'

The private credit industry is a relationship business. Spending time with decision-makers is critical to engaging perspectives you may not have considered, says **Jennifer Yount** of law firm Paul Hastings

Q What are industry leaders doing to advance more women into senior roles in alternative assets?

Paul Hastings has provided me with many opportunities to impact our clients, the firm and the private credit investing sector. In my practice, I have navigated private credit lenders and banks through numerous credit cycles. During the 2007 to 2009 financial crisis, our global private credit team (many of whom are women) assisted our clients through a wide range of challenges. In anticipation of another credit downturn, we are drawing on that experience and working closely with our clients to help them prepare. There will be key differences, however, in the challenges that private credit lenders will face in comparison to the last downturn. Understanding those differences will be critical to navigating the next downturn.

I also have been incredibly honoured to serve as the chair of the Global Finance and Restructuring Practice at Paul Hastings. With attorneys (many of whom are women) advising private credit clients in key markets around the globe, including New York, London, Paris, San Francisco, Los Angeles and Chicago, we handle complex multi-jurisdictional transactions. Any deals for private credit clients making loans to borrowers in industries that are heavily regulated also plays to the strength of our large regulatory practice in Washington, DC. Healthcare, data privacy, telecom and



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media, transportation and financial services are just a few examples.

Over the past few years, we have strategically grown practices that focus intently on our private credit clients. These include adding partners recently in New York, London and Washington, DC with expertise in private credit funds, direct lending, tax, restructuring, bankruptcy and regulatory/compliance. Our integrated practices work together on deals and also frequently present "breakfast briefings" in our New York and London offices on topics of interest to our private credit clients.

In a potential downturn, it is also important for private credit lenders to consider whether a law firm has expertise in areas that may be relevant in the event that the private credit lender becomes an owner of that business, via a foreclosure or other means. Issues that clients may not have been required to consider as a debt investor may suddenly become critical to the success of turning a business around as an equity investor. Examples include employment, tax, insurance, corporate compliance, regulatory matters and litigation.

Q What programmes do companies have in place to train the next generation of diverse leaders?

While many companies have programmes in place to recruit women and help junior professionals advance through the ranks,

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what seems to be missing are programmes to help senior professionals develop the skills and mentality to become strategic owners of their practices and professions. It all starts with the client. Listening to the client's business goals is paramount. Becoming expert in your field. And staying abreast of the market is critical. We start this process early at Paul Hastings. We actively put our women in client-facing roles – leading deals, going on pitches, leading team meetings, presenting at board meetings and speaking at conferences.

Q What about your clients?

I was speaking recently with my London partner, Diala Minott, about this question. She informed me of the following, which I found interesting: "I can see a real sea change in the market this year with respect to diversity. My clients are now being asked by their own investors to explain what diversity measures they have in place – at a real risk of losing that capital if the answer isn't the right one.

"This drive from the investor base is driving change at the asset manager level. Typically, private equity sees only 5 percent of women in management roles compared to 30 percent in banking for example, and so a change is needed. Interestingly the pay gap isn't the main issue (Level 20 has found there isn't a pay gap at the senior levels), it is the lack of opportunities for senior women to make it to the boardroom. Investor-driven requirements will help make the traditionally male-dominated private equity space change and will provide opportunities for women in management. Paul Hastings has a female-heavy private equity team both at partner level and at associate level in the UK, for example, where I sit – the mindset has already changed."

Q How can diversity drive innovation?

Diversity can drive innovation by providing different perspectives to the same problem. Clients want pragmatic advice and a legal partner to help address business problems. New and innovative approaches are always welcome.

The younger generation has a good grasp of AI and how it can improve business efficiency. The timelines for deals are extremely compressed. To give our clients a competitive advantage, we have developed a number of software programs that can do everything from improve the quality of loan documentation to pulling out market terms from our global "What is Market?" database.

Q How have associations such as Level 20 and the 30% Club led the way?

Associations that inspire women to succeed in this dynamic industry have been extremely helpful in providing a forum

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for women to share ideas and approaches that have worked for them. This helps not just the women who participate in these associations but also their customers, clients and colleagues. The conversations focus on business, the market, growth, the economy, education and problem solving. Sharing perspectives on these key areas of concern for all players in the private credit investment sector helps professional women continue to deliver exceptional advice to their clients and customers.

Q How have you managed unconscious bias within your career?

We all have natural bias – it's a part of human nature. One of the most effective ways I have found that helps address bias is to spend time with people and get to know them. The private credit industry is a relationship business. Spending time with decision makers is critical to engaging perspectives you may not have considered. Sit down, have a cup of coffee with a person, get to know them, understand their goals, their challenges and their approach. Helping people work through issues to achieve their goals helps broaden perspectives.

Q What is your view of market conditions today?

Market conditions are mixed, depending on the industry and the unique debt service requirements of each company. We are seeing certain industries that are vibrant, and with that comes acquisition financings and dividend recaps. We are seeing other industries that are experiencing softness. For those industries, our finance and restructuring colleagues are working closely on restructurings – both in and out of bankruptcy. ■

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