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Chapter 1

BRIEFCASE

To Russia with Love

Although Russia is a land of expanding economic opportunity, up-and-coming global executives often contemplate a move there with trepidation. "Their first question will be, 'Is it safe?'" says Daniel Feldkamp, a London-based Associate with CTPartners.

"Russia suffers from an old stereotype," adds Alexandra Alberti, a Paris-based Principal at CTPartners. "Things have changed dramatically in the past few years. There is a large and safe expatriate community. Global corporations continue to open offices in Russia, as the region sees double-digit sales increases."

The strongest growth areas include telecom, banking, Internet, media, and infrastructure businesses that suffered from decades of neglect. Luxury goods and retail also are expanding, as Russians enjoy a chance to be consumers.

The best candidate for a Russian relocation is someone who is flexible and open minded, possesses previous international experience, and enjoys a fast-paced work environment, says Alberti. She comments, "A move to Russia shows a willingness to grab challenging opportunities and adapt to new cultures. It can fast-track a career."

Is Your Company Ambidextrous?

Successful executive teams are aligned to profitability goals, adaptable to marketplace change, and more. Ad Boon, Worldwide Vice President of Human Resources at NXP Semiconductors in Eindhoven, The Netherlands, discusses his Ph.D. research into this vital management issue.

Q: You use the term "corporate ambidexterity." What is this?

Ad Boon: Long-term corporate success requires management to master both adaptability and alignment. An adaptable organization adjusts to volatile markets and moves effectively in response to new opportunities. But that's not enough. Companies also must fully exploit the value of proprietary assets and streamline operations to deliver that value. That combination is called ambidexterity.

Q: So it is a balancing of competing goals?

Ad Boon: That's right. And it's hard to achieve the correct balance. While it can be tempting to allocate resources primarily to bolster the short-term bottom line, management also must invest in the company's future. It's not that top management teams aren't trying to get the balance right, but it's hard to do that when they're under pressure today, maybe from shareholders, and trying to sustain the company for tomorrow.

Q: What are common characteristics of ambidextrous management teams?

Ad Boon: My research is ongoing, but one key element seems to be connectedness. Beyond assembling the right executives on a team with the appropriate blend of diversity in tenure, gender, functional experience, and insiders versus outsiders, it's imperative for the team to be connected, to build genuine bonds and respect for one another. The CEO/COO bond is critical, as they must be in constant and daily communication. Having an "inside focus" and an "outside focus" person on the CEO/COO team is particularly effective. This broad balance allows the top management team to be, essentially, left handed and right handed at the same time. The team also will inspire its direct reports to build the same kind of connected teams and, in turn, inspire the entire organization to be connected.

Biotech Execs Face Financing Imperatives

Raising capital is a way of life for biotechnology companies. During 2006 alone, biotechs raised over \$20 billion, relying on multiple financing methods. "Given this reality, it is essential for C-Suite executives at biotechnology companies to possess the skills and experience necessary to

raise money across a variety of financing markets," emphasizes Buster Houchins, a CTPartners Vice Chairman.

Type of Financing	Total Raised (\$M)
Public Offerings...	6,626.85
Private Biotechs...	5,128.23
Public/other...	8,531.59
Total	20,286.67

*Source: BioWorld Biotechnology State of the Industry Report 2007**

Notes: Public offering = initial, follow-on; Private biotechs = financings of private firms; Public/other = other financings of public companies, including loans, bridge financings, exercises of warrants, debt offerings, and standard private placements.

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360 | How Independent Are Mutual Fund Directors?

It's simply undeniable: Mutual fund directors are shouldering major new responsibilities as fund companies respond to increasingly complex industry challenges. One critical change is the industrywide drive for increased independence of mutual fund boards. Three global executives offer their perspectives on the progress made in the ongoing transformation of the mutual fund trustee.

Mariann Byerwalter, Chairman, JDN Advisory, LLC. Director, Burlington Capital; Redwood Trust, Inc.; Schwab Funds; The PMI Group, Inc.; Pacific Mutual Holding Company; and Pacific LifeCorp

"Boards of directors, both mutual fund and corporate boards, are moving toward greater independence. I have seen this general trend in all boards during the last several years. Directors want to do the best possible job of looking out for investors and shareholders. That's been driven by a heightened awareness of the board's role and by an emphasis on governance.

On mutual fund boards, I see this increasing independence evidenced in the high degree of rigor and objectivity brought to reviewing management plans and proposals. I see it in the discussions surrounding the fees paid by fund shareholders. Trustees are exerting more influence in setting meeting agendas and deciding how the group will allocate its time and attention.

An independent board certainly dedicates more time to the job. I sit on several boards, so I don't tend to calculate the specific hours I devote in meetings or off-line in preparation. I think of it as a constant commitment of time, energy, and attention. I enjoy the role of director. Participating in this way in the strategic direction of a business is engaging and rewarding."

Michael Kelly, Managing Partner, Global Board Services Practice, CTPartners

"The role of mutual fund director has changed dramatically. Market forces have made it necessary for mutual funds to have much more active and independent boards than they had in the past.

A decade ago, most trustees were older and likely to be friends of the fund company founder. Fund boards were far behind corporate boards in instituting age and term limits. Unfortunately, as everyone knows, 15 years ago, boards were sleepy bodies, literally and figuratively. Their approval of business matters was essentially a rubber stamp.

All of that has changed. Sarbanes-Oxley, new SEC requirements, and marketplace competition have prompted makeovers of most mutual fund boards. I think a trustee's term should be long enough to create value but not so long as to turn stale. To me, two five-year terms is ideal. When a trustee remains longer than that, you don't get new ideas. Diversity also is key. If you have a board full of similar people sitting next to similar people, how will the board generate fresh ideas? Independence is critical to fostering new viewpoints and creativity."

Patrick Kenny, President and CEO, International Insurance Society, Inc. Director, Foresters and ING Funds

"I became a fund trustee in 2002, and I have seen the trustee role evolve in response to major industry changes. Fund products are more sophisticated than they were 10 years ago, with lifestyle products, exchange-traded funds, and funds using derivatives or leverage. It's a different ball game. The competition is more diverse and sophisticated, and the big issue complicating all of this is regulation. With both reactive and proactive regulation, the regulatory overhang is intense.

Together, these changes have altered the director role. We have honed the focus of our trustee searches toward people with specialized knowledge, whether that's in distribution practices, investment management, or financial reporting. And we highlight the time commitment. We recently calculated that an ING Funds board position requires about 250 to 300 hours annually, which is substantially more than in the past.

The fund director's greatest liability is fund performance and, secondly, fees. In my tenure, I have seen boards remove about 10% of the advisors for performance reasons. Boards have become more questioning and quicker to turn to outside experts for advice. The issues

themselves have driven this trend; the product complexity, regulatory climate, and competition all demand greater independence from mutual fund directors.

Chapter 3

PROFILE | MARTY POMPADUR

"You might say I've had five careers"

THE CHAIRMAN OF NEWS CORP. EUROPE REFLECTS ON EMERGING MARKETS, ENTREPRENEURSHIP, AND OTHER HIGHLIGHTS OF AN EXTRAORDINARY MEDIA CAREER

A fortuitous train ride positioned Marty Pompadur on a path to the C-Suite during an era of evolution and expansion for the increasingly global media sector. Along the way, he has built the kind of resume that many executives can only dream about. From his current vantage point as a News Corporation Executive Vice President and Chairman of News Corp. Europe, Mr. Pompadur recently spoke with the PQR team about the management challenges and opportunities associated with expanding "old-fashioned" media into rapidly developing new markets.

PQR

You began our conversation today by commenting that you've had not one, but five careers. What do you mean by that?

Marty Pompadur

After I graduated from law school, I practiced law in suburban Connecticut for about a year and a half. It was a lot of real estate work, which I didn't find particularly interesting. But my other four careers have been terrific. I spent 17 years at American Broadcasting Company, which was a pretty heady, exciting ride since ABC went from being a terrible performer to No. 1 in the ratings. I then went to Ziff Corp. where, as President, I helped the company expand from magazines into television. My fourth career was as an entrepreneur. I created private and public

limited partnerships that operated television and radio stations and cable television systems. News Corp., which I joined in 1998, is my fifth career. It's an incredibly dynamic company. Rupert Murdoch is great to work with - cutting edge, extremely entrepreneurial.

It's all been exhilarating and fulfilling - so long as you forget about that first job as a lawyer.

PQR

Your family bought its first television set when you were 12 years old, when TV was still a new and exciting phenomenon. Was pursuing a career in television always your backup plan if you didn't like life as a lawyer?

Marty Pompadur

No, it just happened. Back then, I was dating a beautiful girl who worked as a model and commuted to New York City by train. One day, a couple of guys started talking to her. As she told the story, they wanted her name and phone number but she talked to them instead about her boyfriend, who was a lawyer but didn't like his work. One of the men was general counsel at ABC. He gave her his card and said that I should give him a call. I almost didn't do that, but she convinced me.

I remember that meeting so well. We talked for about an hour and he told me, "Your personality is perfect for this business. You've got to do this - give me one year of your work life." He offered to pay me \$7,500 for the year while letting me take a cram course for the New York bar exam.

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So you gave it a try. But why did you stay?

Marty Pompadur

I loved it. I worked at ABC during an incredible period that was truly the beginning of the network television industry as we know it now. And by the time I left the company, I was a member of the Board of Directors.

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During the course of your career, you've been involved with different types of media, ranging from network and cable television to radio and outdoor advertising. There are challenges in any business venture. How do the challenges at News Corp. today differ from those you've confronted in the past?

Marty Pompadur

Whether you're dealing with a television station in Louisiana or Illinois, the issues tend to be fairly homogenous. On the other hand, when News Corp. is involved with a start-up company that's building a television station in Serbia and another company that's building a station in Turkey, it's anything but homogenous. The cultures are different, the people are different, the programming needs are different, and our executive teams must be on the ground to ensure that the various goals are achieved.

I'm now on the road about 80% of the time, and my work in emerging markets often involves meetings with local politicians, U.S. ambassadors, and a wide range of businesspeople. From a management perspective, I appreciate how much my own expertise - and News Corp.'s - is welcome in these media markets. But it's a delicate balancing act. One can't simply "drop" managers in from the U.S. and dictate to the Latvians what they should be doing!

PQR

When it comes to emerging media markets, is there any universal management approach that works well?

Marty Pompadur

Each situation is different - it's hard to convey just how different they can be. Our group at News Corp. has offices in London, New York, Moscow, and Kiev, and I keep in touch with everyone. Whether we're looking at business development opportunities in emerging markets, negotiating new deals, or working on ways to help an existing investment achieve its objectives, the dynamics always differ with the cultures, business personalities, political issues, and so much more. I tend to get along well with all kinds of people, which is one of my strengths in this job.

People feel relaxed with me, they know that I've accomplished a lot throughout my career, and it helps.

That said, one must be flexible because it's just not possible to rely upon a single management approach. Our goal may be to bring in a local person to manage an operation, but sometimes that can't happen, at least not right away. Local talent may need to be developed and we may not be able to find an expatriate who's right for the job. In Romania, we couldn't find the right Romanian to manage our outdoor advertising business, so we brought in a German executive, who is doing very well. In Bulgaria, we've got a well-qualified Bulgarian running one of our operations.

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When dealing with emerging markets - and emerging media niches - do you find that management teams and strategies also evolve, by choice or by necessity, along the way?

Marty Pompadur

Absolutely. A great example is Italy, where we merged two failing companies and created a new entity called Sky Italia, which was like DIRECTV. It's now successful and profitable, with over four million subscribers. When the deal was first struck, Rupert Murdoch made a brilliant suggestion, which was to bring in Tom Mockridge, who is an Australian New Zealander who had previously been an executive with News Corp. in that part of the world. During the four months that it took to close the transaction, Tom assembled a team of more than 20 people from News Corp. operations around the world.

It's a tribute to this company's many strengths that all these people were willing to leave their homes and existing jobs to work on the integration of these two companies and launch of this new business. Two of my own guys left our team in London, and others went from Australia, Hong Kong, and elsewhere. Some returned to their previous jobs after the launch, others stayed on. During the past four years, Tom has been training locals to step into management roles. That's a good model for us.

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Italy. Bulgaria. Romania. Forgive us for asking an obvious question: How many of these languages do you speak?

Marty Pompadur

My mother was born in Lithuania, my father in Poland, but I'm a typical American. I only speak English. I need to rely on interpreters when I travel abroad - unless people speak English, which they certainly do in many countries.

But as we move into places like Armenia and Georgia, we're still working mainly through interpreters. I've had that classic experience in which a businessperson speaks for 15 minutes and the interpreter offers a two-sentence translation. You think, "Hmmm, what am I missing?" I've learned to be very patient. Ask the same question two or three times, in different ways, and you'll eventually learn what you need to know.

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Do you often walk away from a deal because the business situation, or the emerging market, is too risky?

Marty Pompadur

Certainly we've looked at situations in which the issues surrounding media are very sensitive. We might conclude that the political risks are too great. It's important to keep in mind that these emerging markets are in the midst of significant change. Ten years ago, one wouldn't have called Turkey a promising media market, but today it's an important commitment for News Corp.

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When you talk about "significant change," those words resonate with your own career, don't they? You've held leadership posts at media giants, yet you've also rolled up your sleeves and worked on start-ups and struggling companies in markets around the globe. Meanwhile, you've also been a successful media entrepreneur. How did that experience help shape you?

Marty Pompadur

It was a big adjustment in many ways. I was used to all the corporate trappings, the glamour of life at big and successful companies. When

you're an entrepreneur, you're suddenly the one who has to get the office space, choose the stationery, make it all happen.

I learned a lot during that period and worked on some exciting media projects. I got to know Rupert Murdoch when I helped write the business plan for the then-new Fox Network. It was a good experience. But as an entrepreneur, I missed having a lot of smart people around me all the time. At ABC, Ziff, and News Corp., there are lots of smart people. I thrive on that. I'm not the kind of person who lives to play golf or collect stamps or pursue a hobby. I'm passionate about business. I love what I'm doing here at News Corp.

PQR

It's been quite a career. When people ask you for career advice - and they must do that all the time - what do you tell them?

Marty Pompadur

Some people know all their lives that they want to be a doctor or an accountant. For everyone else, I believe that the most important thing is to keep an open mind. Talk to lots of people. Chances are, you'll end up doing something quite different from what you ever imagined.

Chapter 4

MOMENTUM | CAREER INSIGHTS FROM FIVE TOP GLOBAL EXECUTIVES

Jonathan Shopley, Executive Director, The CarbonNeutral Company in London

"When I left South Africa in 1982, I motorcycled through Africa and saw firsthand the impact of desertification in the sub-Saharan, civil war in Sudan, and the ravages of AIDS. I saw a beautiful environment and remarkable people facing huge social and environmental issues. I didn't see aid or philanthropy making much of an impact, but I did see enterprises blossoming in the most unlikely places, and it made me hugely optimistic about the power of business to make the difference.

After my arrival in the UK, I advised companies on environmental management and sustainable development. Just when I felt the need to change from consulting to something hands-on, I was contacted by The CarbonNeutral Company, which was looking for a CEO. I was captivated by this start-up applying marketing and commerce to the toughest challenge of our time - climate change. It was so strongly aligned to my interests that I didn't worry about the obvious risks, and the shareholders and founders seemed willing to overlook my patent lack of management experience.

We help major corporations decouple their top and bottom-line growth from their greenhouse gas emissions. As a business leader, my challenge is to harness and focus our company's passion and expertise to fit the pace and demands of the market. Incidentally, I still ride that same motorcycle - a Yamaha XT550 - on a more sedate route, from home to the rail station in East Grinstead."

Kai Wang, Shanghai-based President and General Manager, Asia, Freescale

"I entered college when I was still 15. When I was of the age to take the national exam for college, universities had stopped the formal admissions process because of the Chinese Cultural Revolution. I was pretty lucky to get into college since there were many competitors who had been waiting for more than 10 years.

I think being younger in college helped me quite a bit. When you are younger than most of your classmates, you have to spend more time learning how to make friends and developing relationships. Now, as a manager, that ability is useful as I help teams of people work together effectively.

People management is the No. 1 issue. Selecting the right people for the right job is the most important task for management. Once you have the right person in the right job, empowerment is critical. My own philosophy is to promote fairness - to focus on this as much as on operational and strategic matters. When you have people who can do a job and are empowered to do it well, you need to reward them fairly when they achieve desired results.

That way, they'll keep thinking of ways to improve. And they'll be committed to your organization."

María Cristina Mejía, Bogotá, Colombia-based Partner of CTPartners

"After studying law and political science in Paris, I became Vice Minister of communications during a very important period of growth in Colombia's telecom sector, which included expansion of the cultural television network to offer national coverage. I never was prepared to pursue any certain career path, but when I found new opportunities interesting - whether leading the national association of daily newspapers, founding and directing a journalism postgraduate program for professionals with nonjournalistic backgrounds, or spearheading the creation

of a digital cellular telephone network in Colombia - I always thought, why not?

Throughout my career, I always hired people with emotional intelligence who would be committed to the company and enthusiastic. Passion helps people be successful in any job. As an executive search consultant, I look for that in any prospective candidate.

One of my own passions is social responsibility for companies. Along with a dozen other business leaders, I'm on the board of Granitos de Paz (Grains of Peace), which provides more than 1,600 impoverished families in Cartagena with nutritional, medical, back-to-work, and day care programs, as well as guidance in self-sufficiency farming. It's a model that works well in the poorest areas and one that we hope to copy in other cities."

Taylor W. Lawrence, Ph.D., Waltham, MA-based Vice President, Corporate Engineering, Technology & Mission Assurance, Raytheon

"My undergraduate education was pretty well-balanced. I spent two years at the United States Naval Academy, where, among other things, I learned about building good teams and how to perform under continuous pressure. I followed that with two years at California Institute of Technology, which really taught me creative thinking.

This background has helped me, as head of engineering and operations for a \$20 billion corporation, quickly assess and respond to all kinds of challenges. It's interesting. I've had a general career plan, but I could not have planned most opportunities that have presented themselves to me. I never would have expected, for example, a tour of duty at the Senate Select Committee on Intelligence. When an opportunity presents itself, I talk it over with a number of mentors.

When I hire people, on paper I look for a solid education and increasing responsibility and leadership at various places. But in person I look at how candidates think. You want good people with analytical, management, and communication skills, especially in the higher ranks of

management - men and women who will be able to identify, advocate, and promote ideas that will deliver real value to our organization."

Michele Coleman Mayes, Northbrook, IL-based Vice President and General Counsel, The Allstate Corporation, effective November 2007; former Senior Vice President and General Counsel, Pitney Bowes

"Particularly during transformation, you constantly need to do things faster, better. Pitney Bowes' 87- year-old business model has been extremely successful. Yet, we knew we had to embrace change and create a different future. That causes uncertainty. In such an environment, it's even more important that you work to listen well and ask questions. When I turn off that silent voice in my head and lock into what a person is saying, I am amazed at how much I can learn. Thinking, 'I've done this; I'll teach her or him,' simply gets in the way. No matter how senior you are, you can't let power, position, or hubris blind you. I read a quote once that says most people pretend to listen when what they are really doing is rearranging their prejudices. That message stuck with me.

There is one story that illustrates what being open is about. I collect African art. When I was rearranging my office several years ago, I thought I had no place to hang one mask, so I would just store it. Then a mover came into my office and noticing my quandary said, 'Wouldn't that mask make a nice paperweight?' I saw it as an object that had to be hung; he saw it as a paperweight, and that's what it's been ever since. Good ideas can come from anyone, if you invite input and are open to receiving it."

MANAGEMENT | POWER DUOS

During 2006, Steve Leonard, a longtime executive in the information management software space, was presented with a career opportunity too enticing to resist. He joined EMC, a leading global developer and provider of information infrastructure technology and solutions, as President of EMC Asia Pacific/Japan, based in Singapore, and Senior Vice President, EMC Corp.

"Many things were attractive to me about this position," he comments. "This is a growth industry, a growth company, and a challenging opportunity which allows me to continue to work and live in this region, where I've happily been for some time now." He adds, "I was eager to join a team that had prioritized this part of the world as an important foundation for its future growth, yet recognized that EMC in Asia had not yet achieved what was possible. I believed that I could add value to the organization."

Interestingly, one of the new President's first actions on the job - "it was literally day one," Mr. Leonard recalls - was to broach with EMC's worldwide head of HR the prospect of bringing on board Gary Baty as Vice President, Human Resources, for the region.

The two men had worked together successfully in the past, when Mr. Baty had led the Asia Pacific/Japan human resources team at Symantec Corp./VERITAS Software, where Mr. Leonard managed Asia Pacific/Japan operations. Mr. Baty had already made a decision to leave Symantec at that time and was planning to relocate to Australia.

"I absolutely see HR as strategic and fundamental to every business. Gary is someone I look to as an essential partner with whom I can discuss any business issue," Mr. Leonard emphasizes. "I was stepping into a senior leadership situation in which I had many important objectives. There had been some challenges with the brand. There were some partnerships that hadn't performed as expected. I wanted to turn this

division into a source of growth and pride for EMC. So I wanted to make sure very quickly that I would be able to count on Gary's involvement in moving towards these goals," he says.

For all the attention paid to potential synergies between different product lines, strategic relationships, or merged companies, synergies between C-Suite executives are often simply taken for granted, or overlooked. Yet, as the long-term collaboration between Mr. Leonard and Mr. Baty makes clear, corporations stand to achieve tremendous benefits from what might best be termed "power duos": senior executives whose working relationships yield truly exceptional results.

There are a variety of ways to recognize power duos. These aren't lopsided relationships: Each executive is highly skilled and experienced, a powerful and impactful leader in his or her own right. Yet, there's something about their interaction that people inside and outside the organization sense is different from business world norms. "They really speak the same language." "They were meant to work together." "They know how to get results." No matter how observers choose to describe the phenomenon, it's clear that they know they're in the presence of an unusual, and unusually successful, working partnership.

Other indicators point to power duos as well. Their relationships usually have been well tested over time - in pressured situations, as they confronted a range of thorny business challenges. Like Mr. Leonard and Mr. Baty, these C-Suite pairs often demonstrate that they can translate their special chemistry from one business environment to another. That's part of the power. For any pair, this might result in a successful and productive move to another division or region, or to different corporations or industries.

"There can be very strong benefits where senior executives trust each other completely and they fully understand each other's priorities and mind-sets," explains Sylvain Dhenin, CTPartners' Managing Partner in Geneva and Paris. "If you imagine, for example, a CEO and CFO who have this type of relationship, then the CFO has more opportunity to completely pursue the objectives of the company, without worrying about what the chief executive is thinking, because he already knows. And the CEO will have greater confidence that his strategies will be carried out, which means that he can concentrate his attention on other matters."

Power duos might consist of any pairing of senior executive positions, including a chief operating officer, CFO, global human resources or

marketing director, or other top leaders. By many measures, Patrick Kron, the Chairman and CEO of Paris-based Alstom, and Patrick Dubert, Alstom's Senior Vice President of Human Resources, certainly qualify.

The two men previously worked together at Imerys, where Mr. Kron served as Chief Executive and Mr. Dubert led the global HR function. In 2003, when Mr. Kron assumed the CEO role at Alstom, a then-struggling worldwide provider of equipment and services for the power generation and rail transport sectors, he knew that he needed to achieve major and rapid transformations, including the disposal of what he describes as "a significant part of our portfolio" and a movement toward substantial productivity improvements.

Although the new CEO conducted a search for Alstom's top HR position both inside and outside the organization, he ultimately concluded that there was only one choice for the job. "I recognized a number of major HR challenges," he emphasizes. "We needed to renew our management in-depth - not only the top management but other levels of management as well. We needed to bring in new blood. And it was clear that we would have to carry out a heavy restructuring, involving large workforce reductions, with the risk of creating strong tensions, especially in Europe."

Patrick Dubert was "the right person for Alstom for many reasons," comments Mr. Kron. "I greatly appreciate his short and long-term vision, as well as his ability to handle a large flow of difficult situations. We faced many challenges, with serious business risks, and it was critical for me to have someone in this position in whom I had 100% confidence."

He pauses, and adds, "Now that our company has achieved a major turnaround, we face new HR challenges, which Patrick is also well-qualified to handle. We hired 8,700 people last year. We started Alstom University. Meanwhile, our entire leadership team must work hard to create the right values, the right management principles, and the right culture for our global corporation."

As the Alstom turnaround demonstrates, when power duos join forces with other strong senior executives, the results can be impressive. With compliments to Mr. Baty and his entire management team, Mr. Leonard notes that EMC Asia Pacific/Japan achieved double-digit revenue growth during 2007 on a year-to-year basis, while earning the distinction of being EMC's fastest-growing geography for the second straight quarter. "We're also well on our way in serving as an innovation center for our company."

While it's easy to appreciate the value that power duos can deliver to any type of business, a more difficult task is identifying why these unique relationships develop amidst so many other, often quite successful, C-Suite interactions. To EMC's Gary Baty, it's the combination of business and personal connections. Reflecting on his relationship with Mr. Leonard, he notes, "We've both spent large segments of our careers in international markets, and we're both convinced that Asia Pacific and Japan are the most exciting business markets in the world." That's one point, but there's much more. "Steve Leonard teaches me a lot, and I think that he'd say the same about me. We have deep mutual respect."

Contemplating their relationship further, he adds, "We share the same values and vision. For both of us, integrity is our highest priority." In a deep and complex relationship, staying in close communication plays an important role as well. "We're in communication with each other constantly, including weekends, late at night, early in the morning. That's what we want. We're completely focused on taking advantage of the outstanding opportunity that we and our colleagues have been given by EMC. There's no 'finish line' to what we're going to achieve, and we both love that."

Words like "trust" and "confidence" keep recurring in discussions about power duo relationships. When Patrick Dubert describes the early challenges that he helped Mr. Kron face at Alstom, he repeatedly speaks about the level of confidence between the two men. "The magnitude of the crisis was significant. There was the possibility of going bankrupt. It was not a matter of solving six issues and then things would be okay. Our management team recognized that the very existence of Alstom was threatened."

In such a situation, the long-standing relationship between Mr. Kron and Mr. Dubert allowed them to perform at a level of intensity that matched the crisis. "We were in urgency mode and Patrick had limited time to devote to different aspects of the situation," recalls Mr. Dubert. He continues, "I knew him so well that it was easy for us to adjust, let's say in a few seconds, to communicate on any issue. We had this confidence and understanding from day one. I knew what was needed and could devote myself to its implementation."

To Daniel Soh, a Principal in CTPartners' Singapore office, it's not surprising that power duos perform extraordinarily well in times of high pressure. "Relationships between senior executives are often strengthened during tough business situations in which they face

difficult challenges and must respond quickly and effectively. Such a situation might make it clear that they have complimentary skills but similar approaches, which together form a powerful partnership."

With all of the advantages of power duos, corporations may wonder how they can create duos of their own. But Derek Leebaert, Ph.D., who runs the North American practice of Management Assessment Partners AG, the Zurich-based software and advisory firm, emphasizes the complexity of this issue. "Any particular relationship between two executives might develop because of a so-called chemistry, or gut feeling. That's nice, but it can also be rare and imprecise, and it can't be replicated. It can't be achieved on scale. So an organization might decide to bring in a power duo, or it might find that one develops within the firm, but that doesn't eliminate the larger challenges of assessing and strengthening the entire global management team."

Let's say a corporation does seek to galvanize its management team with a power duo. Where might one be found? Promising sources are those organizations that have successfully achieved a major turnaround or restructuring. Strong management pairs also might have played vital roles in helping corporations achieve transformational growth, along the lines of increasing revenues by two or three times, spearheading a global expansion, or reinventing a major brand. A power duo also might have helped carry out a major, but risky, merger or acquisition.

Yet the decision to hire such a powerful pair does carry with it management risks. Dr. Leebaert warns, "They might join the executive team to great enthusiasm, but there will be high expectations as well as inevitable uncertainty about how other executives will respond and adjust. A lot will change, and results may not be what the power duo hopes to achieve - and might even be capable of achieving - if the two new executives had only understood the strengths, hidden talents, and shortcomings that exist in the rest of their management team. A strategic assessment that entails measuring and anticipating how all of these individuals will work together can make a big difference in enabling everyone, including the power duo, to deliver peak performance."

Alstom's Patrick Dubert recognizes the risks. "There can be a downside to these situations in which there seems to be a kind of club of insiders who have worked together before." The challenge for any pair, he emphasizes, is to preserve the benefits that accrue from their collaboration while adopting an inclusive approach that produces the most effective overall executive team.

"It's important to behave in ways that don't make others feel different or excluded," says Mr. Dubert. "I'm attentive to these issues, so that people don't feel that I'm using my relationship with our CEO to convince them. We're all part of the same team, working to achieve the same goal."

Indeed, that teamwork and the successful functioning of the entire management team is the ultimate corporate goal. Yet, if the definition of "synergy" is one plus one equals three, here's the bottom line: Adding a power duo to a strong management team can create a multiplier effect that yields exceptional results for any global corporation.

Chapter 6

Q&A ROUNDTABLE

The Rise of the Operating Partner

Facing a maturing and increasingly crowded marketplace, private equity firms are responding with a broadened internal talent mix, including more operational expertise. Commonly arriving from the CEO chair, other CSuite roles, or management consulting, these operating partners bring systems and operating expertise to a PE world otherwise best known for its finely tuned financial techniques and focus. In the process, the role of operating partner is fast becoming a highly desirable career path.

PQR recently spoke with CTPartners' Diane Segalen, a Paris-based Vice Chairman, and Simon Francis, a Menlo Park-based Partner, about this growing trend.

Q What is driving this trend?

Diane Segalen

As the private equity market has grown, competition has increased, and the prices of companies being purchased have climbed. With less money to be made on the financing side, PE firms must make more money by running the company better than the previous shareholder did.

The influx of new specialty funds in life sciences, energy, infrastructure, and restructuring also demands operating expertise. Without it, these funds cannot succeed with raising money and deal making.

And as private equity firms carve separate companies out of former conglomerates, you often find managers in what were noncore businesses who will need to be remotivated, mentored, or replaced.

Simon Francis

PE professionals have financial skills, but they have never run factories or supply chains. Yet the day they buy the company, they want immediate changes to occur. Operating partners are leaders they trust who they can drop into situations to kick-start turnarounds.

PE firms that aggressively utilize operating partners include Bain Capital, Sun Capital, TPG, and Cerberus. Firms effectively tell their CEOs, "Our operating partner will be there with you to assume some of the load." Other times, the operating partner will serve as an interim CEO.

Q How do operating partners function?

Simon Francis

An operating partner will work with a portfolio company - sometimes two or more at once - onsite one or two days a week, advising the CEO, attending meetings, and coaching the CEO's staff.

Diane Segalen

Well-regarded operating partners also lend credibility to PE funds and help close deals. With an operating partner of great business stature, managers will pick up the phone and, among other things, share the business plan.

Simon Francis

Yes, when an operating partner shows up at the deal meeting, outlines an impressive corporate track record, and describes to ongoing shareholders how the company will be transformed, it can seal the deal.

Operating partners can function at two levels. More junior operating partners will work at the tactical level, for example, taking responsibility for reconfiguring the supply chain or figuring out a better sales distribution channel. The CEO gets a subject-matter expert to design that program in conjunction with the executive team. More senior operating

partners will assist with deal making, offer business introductions, and work with the CEO and the rest of the board at a big-picture, strategic level.

Q What skills are required?

Diane Segalen

They will need a strong financial background, as well as operations or executive committee experience. They must be able to work effectively with the PE team, and they should have experience in more than one industry. Having worked in chemicals and then autos, for instance, would demonstrate an ability to understand various business models, which is extremely valuable to the PE firm.

Simon Francis

To be an effective operating partner, you need diplomacy, the ability to influence, and the ability to be credible with CEOs so they "hear" suggestions, as opposed to resisting input. It's very subtle. Many operating partners pick up those influencing skills at leading consulting firms or in prior corporate positions.

Q It's a challenging but fascinating role, isn't it?

Simon Francis

Executives used to view the role of operating partner as a stop-gap position to be held for a year or so before making another career move. That's no longer the case. For very senior executives, it's a lucrative, prestigious, and stimulating way to cap off a career. For more junior executives, the operating partner role can round out their career development and put them in line to be CEO of a portfolio company.

Diane Segalen

In a large corporation, you never know where the politics will lead you. In private equity, you know your road map and what the shareholders want. As an operating partner, you enjoy the diversity of

mentoring several portfolio companies. You pick your team and set objectives. There is so much freedom; people find it exciting.

UPDATE | NEW & NOTEWORTHY DEVELOPMENTS AT THE PERFORMANCE - DRIVEN SEARCH FIRM

Talent by the Numbers

Measurement-based approaches to talent management increasingly are being adopted by firms operating in the capital markets and investment banking sector. That's one of the findings of an important new study published by Thomson Financial's IFR Market Intelligence and authored by Paul Aldrich, a London-based Partner in the Financial Services Practice at CTPartners.

The report, entitled "Talent Portfolio Management: Leveraging Human Assets in Capital Markets and Investment Banking," includes extensive research and interviews conducted with senior executives at 22 leading firms in the capital markets sector. Mr. Aldrich conducted the interviews between 2001 and 2003, with follow-ups during 2007.

One major finding: "During these years, there was a significant move by the firms to become more quantitative and metrics-driven in their approach to managing people," notes Mr. Aldrich. "Additionally, firms are now integrating HR decisions with business strategic decisions in a way that was not the case earlier."

The capital markets sector is both talent-driven and dependent on large expenditures for human capital. Therefore, Mr. Aldrich says, it makes sense for firms to embrace a sophisticated, measurement-oriented talent management system. "Just looking at turnover figures or head count costs is not enough. One must drill down to a granular view. For

example, is turnover taking place among less valuable employees or top producers?"

Notably, corporate talent assessment data is now finding its way into the boardroom and elsewhere. Mr. Aldrich reports, "One CEO reviews the firm's human capital statistics with stock analysts to build confidence in the sustainability of the firm's competitive advantage."

Latin American Expansion

In July, CTPartners made official its expansion into Latin America with the opening of offices in Bogotá, Colombia; Caracas, Venezuela; and Lima, Perú; as well as a regional headquarters in Miami, Florida. Long-time search professional Nestor D'Angelo joins the firm as the Latin American Managing Partner for CTPartners' 35-person Latin American team. Among the team's new Partners are Jorge Caridad, a Regional Managing Partner in Caracas, Karin Brandes de Macias and Ricardo Nugent in Lima, and María Cristina Mejía in Bogotá.

Brian Sullivan, Chairman and CEO of CTPartners, commented, "Two years ago, we committed to clients that we would make our firm the alternative to the search industry's oligopoly. Since that time, we have expanded to cover all major industry sectors throughout the U.S., Europe, Asia, and the Middle East - and now Latin America. Our fast pace of growth could not have succeeded without the exceptionally talented and experienced executives who have joined our firm. Our Latin American team meets that very high standard."

Highlighting the recent strength of the Latin American economies, Mr. D'Angelo noted that CTPartners' new presence in this region will help clients respond to that growth from all angles. He says, "We will bring our services to global firms developing business in Latin America and Latin American clients coming to do business in the U.S. We also will assist clients in developing the Hispanic market segment. We have the cultural connectivity and search expertise to serve our clients in all of these endeavors."

E-Retailing Expertise

Another example of CTPartners' unique commitment to crossing traditional industry boundaries in order to serve client needs most effectively is the firm's creation of an E-Retail team. This team is dedicated to helping retail and consumer businesses address challenges and opportunities presented by Internet commerce.

For many retailers, the e-commerce terrain is still relatively new and uncharted. Yet, mastering online commerce is a necessity for survival in today's ever-more-crowded retail space. In response to these demands, CTPartners' E-Retail team combines exceptional expertise from the firm's Retail and Technology, Media & Telecom groups.

Led by Retail Practice Partners Jim DiFilippo and Dorothy Waldt, and TMT Practice Principal Marc Gasperino, CTPartners' E-Retail team delivers superior talent to clients as they address the broad spectrum of e-commerce needs and related talent management issues. These include developing and upgrading e-commerce sites; harnessing the Web's marketing reach to drive companywide sales; data mining to capture customer information; and enhancing Web service and order fulfillment capabilities.

GIVINGBACK | Leading by Example

Tupperware CEO chairs nonprofit for at-risk youths...

Within communities across the globe, there are few challenges of greater importance - or difficulty - than those surrounding impoverished youngsters, who often lack access to education, the right resources, and role models.

Rick Goings, Chairman and CEO of Orlando-based Tupperware Brands Corporation, has been involved with this issue for 20 years. Most recently, he began a second stint as Chairman of the Board of the Boys & Girls Clubs of America (BGCA), an Atlanta-based organization that he also helps support through a personal foundation that he and his wife Susan established.

"Besides what I do here at Tupperware, BGCA is very much my - and our - life's work," says Mr. Goings, who explains: "In the U.S. alone there are 15 million kids at risk, and currently BGCA is helping about four million."

Mr. Goings, who also serves as a Governor of the Davos Economic Forum, believes that the BGCA model - providing a safe, supportive, productive environment for children in at-risk communities - has global possibilities, too. He's helping to spread the word.

He, former Secretary of State Colin Powell (a past BGCA board member), and others are promoting the idea of skill-boosting "safe zones" like these for struggling children in other countries. The first club outside the United States recently opened in Tijuana, Mexico. More may follow.

To global business executives who might help support such initiatives, Mr. Goings emphasizes, "Most of these kids don't have computers at

home, so if they can learn to use one with us, then they have a much better chance of getting a good job down the road."

There are many ways that businesses and executives can support youth-oriented nonprofits. Microsoft provided PCs for Technology Centers in over half of BGCA's clubs. Crest provided the nonprofit with oral care clinics and supplies, while Lenscrafters donated eyeglasses. Contributions are also helpful: For example, it takes over \$1.4 billion each year to keep BGCA's clubs operating. And there are other ways to be involved. At Tupperware Brands, which started one of BGCA's local clubs in a rural southern town where one of the company's factories is located, employees donate both time and money.

What motivates Mr. Goings to make this major philanthropic commitment? He gets his inspiration every day from the accomplishments of the children, he explains. "We want to wake the sleeping giant in every one of them."

*Do You Want to Get Involved? Contact Boys & Girls Clubs of America
www.bgca.org*

Chapter 9

TO LEAD | BRIAN M. SULLIVAN

Why Global CEOs Should Live and Work Globally

Within any corporation, there's an inevitable focus, both inside and outside the organization, on the chief executive's actions. Every move is scrutinized, its impact exaggerated.

That spotlight isn't surprising, of course. No matter how large the organization or how strong the management team may be, there's only one chief executive officer. So the CEO sneezes, and people around the world wonder if he's got pneumonia or if the company is ailing. If she's in a good mood, employees and outsiders alike assume that the business is humming.

This inevitable attention has important implications for every chief executive. From my own perspective, as someone who is leading a rapidly expanding global firm that seeks to redefine the way that the executive search industry operates, it's been essential for me to keep in mind that many matters, including my decisions about how I spend my time, reverberate throughout CTPartners.

I can't just tell our 350 firm members worldwide that a particular practice area, product line, or business region is important to our firm's development. I need to show them, by making tangible choices that illustrate my personal involvement and commitment.

Earlier this year, I announced to my colleagues at CTPartners that I would be relocating to London for two months. I planned to attend client development pitches, participate in partner meetings, help bridge the continuing development of our London and Paris offices, and do much more while, of course, also performing my other responsibilities as the chief executive of our organization.

My goal was simple: During a period of significant worldwide expansion for our firm, I wanted to emphasize that we truly are a global

corporation. Every region is essential to our success. Every professional can, and should, make an essential contribution.

Did I have any expectations about what it would be like to work and live globally, as a global CEO? Maybe it's more accurate to say that I had a hope: to do my job as usual while also allowing myself to become part of the fabric of the London office. Along with everything that this would convey throughout the firm, I knew that it would help me gain more penetrating insights into the challenges, opportunities, even frustrations that our European colleagues confront. That's invaluable.

I brought along photos and knickknacks from my New York office because they helped show people that this wasn't just a run-through. Much more important, my wife Pam and twin daughters moved to London with me for those two months. This was another powerful way of showing my commitment. And I think that it had a great impact when Pam and the kids were able to spend time with other CTPartners families while we lived there.

For any global CEO considering a similar move, here's the good news: I was able to maintain the same pace of work, admittedly on a slightly different schedule, with complete consistency of my worldwide business communications. I led CTPartners through our expansion into Latin America, with the opening of three new offices. I traveled to a number of our international offices, including Singapore, Hong Kong, and New York. I was interviewed by members of the press. Nothing changed.

Or did it? One of our consultants who has worked for years in the Asia Pacific region tells a story about a global CEO who traveled to Australia for a vacation and never even bothered to visit his firm's Sydney office. What did his actions convey to people inside that overlooked office - and throughout the organization? I keep coming back to the image of being in the spotlight. The chief executive's actions, and choices, make all the difference.

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