

## In this issue:

Exiting Gracefully

Insights on Impact  
of Recession in Texas

Assessing and Developing  
Global Skills

Profile: Stephen P. Konstans,  
Vice President

Case Study:  
Authentix

## A Message from Bob Pearson, Founder and Chairman

I am very pleased and excited to announce that Pearson Partners International has expanded our global capabilities by forming a partnership with Neumann International AG. Neumann International is an international retained executive search firm founded in Austria that has 30 offices from London to Shanghai. Neumann has a long history of providing retained executive search service across the European, Middle Eastern and Asian markets. We formally announced the new relationship and introduced Serge Lamielle, Neumann's Chief Executive Officer, and Andreas Benkitsch, Chief Financial Officer at our fourth quarter breakfast in Dallas on December 2, 2008.



The partnership of Neumann International and Pearson Partners International strengthens both firms' global reach and better enables each firm to serve our clients' executive recruitment needs on a global basis. Neumann International has a range of service lines to help global organizations win the talent war, including Executive Search, Management Assessment, Executive Coaching and Compensation Consulting. You can read more about the current international work we're doing with Neumann inside this issue.

We are excited to partner with a firm composed of like-minded search professionals, whose capabilities across all industries and disciplines complement our North American platform. Neumann's outstanding reputation within the international community is a good match to our own commitment to client service and quality.

To learn more about Neumann International AG, go to [www.pearsonpartnersintl.com](http://www.pearsonpartnersintl.com) or [www.neumanninter.com](http://www.neumanninter.com).

Respectfully,

A handwritten signature in cursive script that reads "Robert L. Pearson".

Robert Pearson



Pearson Partners International, Inc.



## Thanks to Spotlight Series Speakers

Pearson Partners held a Spotlight Series Breakfast on August 26, 2008 on the topic of: The Global Economic Outlook for Year-End 2008. We would like to thank the diverse group of panelists who shared their perspectives:

- ❑ Michael P. Durante, General Partner, Western Reserve Capital Management
- ❑ Robert A. Estrada, Chairman and CCO, Estrada Hinojosa & Co.
- ❑ Kenneth J. Nicholson, General Manager, Southwest Region, Clean Energy Fuels
- ❑ Marshall Payne, General Partner, CIC Partners
- ❑ Jay W. Swent III, Senior Vice President and Chief Financial Officer, ENSCO International, Inc.



From L to R: Marshall Payne, Robert A. Estrada, Kenneth J. Nicholson, Jay W. Swent III, Michael P. Durante



## Exiting Gracefully

By Renee Baker Arrington, Vice President

As America awaits the hand-off of the highest office in the country, now seems a good time to reflect on the importance of making graceful, smooth transitions from one career opportunity to the next.

### Four things to remember:

Career transitions are the perfect opportunity to show your EQ (emotional quotient) and your IQ.

Choose words carefully during an exit interview; be honest, but don't focus on the negatives

If asked to help find your replacement, be an asset to the process so the search firm will remember you well

Give your successor an honest assessment of team members' strengths and weaknesses

As practitioners of executive search, we are often in the middle of this process and observe how leaders handle these departures. We also assess any residual impact their actions leave behind on the company. Whether the career move is voluntary or not, the old adage rings true: "don't burn any bridges."

When exiting an organization, an objective, positive stance will help keep business relationships intact. For example, during an exit interview, stay away from nega-

tive comments that could be construed as sour grapes. Provide thoughtful, meaningful, honest input so you are remembered as professional, helpful and above-board, rather than angry and emotional.

### Contribute positively; be remembered well

Even if your company is the one severing ties, under some circumstances such as an acquisition integration, you could be asked to participate in the search for your replacement. Particularly in this situation it is critical to keep a cool head.

If asked to provide input on the strengths and weaknesses of those who report to you, be honest. Resist the temptation to play up the skills of your "favorites" while playing down their weaknesses. Give your successor the unvarnished assessment you would like to receive if you were in the same position.

When an executive search firm is involved, conduct yourself in a way that makes you an asset to that process, rather than a hindrance. Making positive connections with people in the executive search industry can only help you in the long run, and may even open the door to new opportunities.

Recently, our firm successfully completed a search for a vice president of sales. The finalist candidate worked for our client's fiercest competitor and he navigated his exit with skill and grace. Eighteen months later, his new company was acquired by his prior employer and he was selected to lead sales for the newly combined entity. While he clearly possessed the requisite skills for the role, his polished, diplomatic departure made his promotion an easy decision.

2009 will be a year of change for companies and executives alike. Should you find yourself facing a career transition, remember the importance of staying calm, cool and collected. This investment in composure will pay significant dividends for your career in the future.

# Insights on Impact of Recession in Texas

For the first time, a Wall Street crisis has become a Main Street crisis. This extraordinary situation has resulted in an economic recession incomparable to any other.

At Pearson Partners International's fourth-quarter Breakfast Spotlight Series, held Dec. 2, 2008, several industry insiders shared their thoughts on the long-term impact of the recession here in Texas, our nation, and the world:

- ❑ Norman Bagwell, Chairman and Chief Executive Officer, Bank of Texas, N.A.
- ❑ Patrick H. Daugherty, Partner, Head of Distressed and Co-Head of Private Equity Group, Highland Capital Management, L.P.
- ❑ Dr. Lyssa Jenkins, Chief Economist and Vice President, Dallas Regional Chamber
- ❑ John D. Skjervem, Chief Investment Officer, PFS Division, The Northern Trust Company

## A New Kind of Recession

The economic downturn hasn't hit Texas as hard as other areas of the country. Texas is expected to remain about two points ahead of the nation in terms of employment. Because the impact of the recession may be delayed here in Texas, Texans should expect things to get a bit tougher over the next six months. However, our panelists predict that Texas will still stay ahead of the nation as a whole, thanks to our strengths in energy, exports, healthcare, defense spending and population growth.

Nationwide, large banks are slow to extend credit, but small community banks are still lending. Local credit is more available to the middle market and small businesses than to large corporations that have traditionally relied on syndicated market, commercial paper market, or other types of financing. In the future, banks may require more equity when lending money.

As noted at the Breakfast Series event, Martin Feldstein, the chief economist and advisor to President Ronald Reagan, recently said, "We are experiencing both a financial crisis and an economic downturn. This is something we haven't seen together before. The global economic recession combined with a major financial crisis has a

From L to R:  
Dr. Lyssa Jenkins,  
John D. Skjervem,  
Norman P. Bagwell,  
Patrick H. Daugherty



mutually reinforcing effect.

The Fed alone cannot pull us out of this recession as it did in the past."

However, our panelists agree that expanding the Federal Reserve balance sheet is the appropriate thing to do to combat this deterioration in economic conditions and preclude it from deteriorating into a 1930s-style depression. The Fed's balance sheet has doubled in just a few months, and could go as high as \$6 trillion by next year.

## The Post-Recession Outlook

The typical national recession has lasted 11 months. We are 12 months into this one. The 1973 recession lasted 16 months. Experts project that our current recession may last as long as 18 months and it's likely to be followed by a long period of slow growth. The global impact of the American recession remains unknown. As the government attempts to deter a repeat of this recession in the future, Americans can expect to see increased regulation in the financial sector.

Much of what we are witnessing is the market de-leveraging itself. From individual homeowners to hedge funds to private equity banks, today's trend is to deleverage. Lenders are wary of trading debt, so if they do take on debt, they must be willing to carry debt on their own balance sheets if need be. That has changed the ability of businesses and Americans to buy what they'd like. Today's dynamic of American consumerism is completely different than in the past, and it may never return to its former state.

Once the economy recovers, the infusion of cash through the ongoing government bailout efforts may cause the business sector to skyrocket and create the next "bubble." It will be up to both lenders and everyday Americans to remember the easy credit boom responsible in large part for causing this recession, and act prudently to prevent a future repeat performance.



## Assessing and developing skills across the globe:

one key employee at a time

By Lisa Thompson, L.P.C., Director, Professional Services

Faced with a challenging economy and changing procurement and transportation patterns, one Pearson Partners International client – a rapidly growing \$27 billion global manufacturer – wants to retain and attract mission-critical talent. At the same time, the company

has recently acquired several companies and needs to consolidate processes and bring the best people and practices to light.

To accomplish these goals, the company has retained Pearson Partners International as part of a global consulting project to conduct an internal management assessment program. The goal: to adapt internal resources, skills and behaviors to the new marketplace.

## Consistent employee development worldwide

In this engagement, PPI is focusing on key management sourcing positions in the United States, while PPI's partner companies Neumann and BearingPoint are working with employees in similar jobs in Asia/Pacific and Europe. By using the same processes and sharing all collected information, PPI and its partner companies are creating a consistent assessment and development process for all of the company's global operations.

(Assessing, continued on page 4)

(Assessing, continued from page 3)

In all, 122 managers and executives will take part in the process, which begins with two confidential, one-on-one interviews. The first addresses the employee's "soft" skills, such as winning and influencing, teamwork and accountability, and communication. The second interview covers "hard" skills, such as product expertise, industrial flows and logistics, and business techniques.

### Good for the employee, good for the company

Based on the feedback, each individual will implement a personalized development plan, including targeted training and coaching to meet individual and collective development needs. The end result for the employee: a clearer career path and stronger career development.

When complete, the process will consolidate worldwide best practices, identify and cultivate the best leaders within the organization, and allow companies to most effectively use its human resources.

## Case Study: Authentix

### Finding Experienced People for Highly Specialized Jobs

As a global leader in product authentication, Authentix is committed to the detection and removal of counterfeit and adulterated products from society - a boom industry in today's shrinking global economy with its increased scrutiny on products and goods.

In five years, Authentix had tripled in size, so its demand for highly specialized employees was growing. On several occasions, Authentix's Chief Financial Officer and Vice President of Corporate Development, Craig Stamm enlisted Pearson Partners' Vice Chairman and Managing Partner Bill Rowe to seek suitable candidates for multiple positions at once.

"Pearson Partners helps us with critical science and technical positions, as well as executive roles," Stamm says. "Some of our technical positions require a very discrete and almost unique skill set. We

couldn't afford to bring these kinds of people on and train them, we needed them to have years of industry knowledge and a certain combined technical skill set."

What impressed Stamm the most was the Pearson team's commitment to understanding not just the specific skills needed for a job, but the processes the employee will perform, the authentication business itself, and the personality type that would best fit into the Authentix culture.

"What I've found different with Pearson than some recruiters is that they come out to spend time with us and to understand our business and who the person will be working with," Stamm says. "They are not trying to simply fill a box with a body; they want to understand the complexity of the team, culture and environment that the person will be working in."

Armed with this deep understanding, Rowe and his team have consistently provided highly specialized candidates that match Authentix's needs. For example, when the company expanded into banknote security, it needed someone with hard-to-find experience combining physics, chemistry and high-speed optical systems. Pearson Partners quickly found the ideal candidate working quietly at a tiny company in Rhode Island - and he's now the vice president of operations at Authentix's Dallas headquarters.

That is just one of many success stories in Pearson Partners' work at Authentix. Over the course of three years, the Pearson Partners team has filled 10 key hires for mission-critical positions within Authentix's growing operations.



**Authentix**<sup>®</sup>  
Global Leaders in Authentication

Congratulations to Authentix  
on their nomination for the  
*Dallas Business Journal's*  
CFO of the year award.

## Pearson Partners' Profile: Stephen P. Konstans, Vice President

### What was your first-ever job, and what was it like?

My first job was a paper route when I was about 11 or 12 years old. It was a lot of hard work, and it helped me to appreciate the importance of consistency. I learned the value of hard work, and we also had to do some selling as well, which early on was not something I was comfortable with. Since then I have learned that you don't have to have a certain type of personality to sell.

### How and when did you get started in the executive search business?

I got started in executive search in 1996, when I joined D.E. Foster Partners, a Dallas practice that later merged into Pearson Partners International. Prior to that, I had spent six years in the recruitment field working for Robert Half International doing finance & accounting recruitment. I started out working in contingency recruitment but then made the move over to retained search when I joined D. E. Foster Partners.

My educational and early career experience was accounting focused. I am a Certified Public Accountant but have not worked directly in that field for a long time. My early career included stops at KPMG and Arthur Andersen.

### Why did you feel this was the right field for you?

I really enjoy getting to know people and developing relationships. The recruitment business, when the day is done, is about relationships and people. These are the types of things I naturally enjoy, and it worked for me.

### What are some of the highlights of your career so far?

#### Tell us about your best days or proudest moments.

Just last week I reached a career best for the highest number of successful placements actively working in the field. Even in the midst of a difficult economy, I'm very fortunate to be having a good year.

When I was at Robert Half, I was ranked in the Top 15 Worldwide (including a top 5 finish) for two consecutive years within the firm for the placement of accounting and financial professionals.

### Describe your leadership style.

I am more of a consensus builder. I like to communicate what the objective is, provide feedback to people along the way if they have questions or need help. I prefer to let people go out and do their own thing. I want to empower them by providing them with tools, resources and direction, while letting them put their own personal stamp on the day-to-day execution of tasks. I don't like to be micromanaged, and I don't like to micromanage.

### What's your philosophy or approach when it comes to client relationships?

My approach is to provide valuable service to my client, based on how they define value. I find that in our industry, people have different expectations of what they want out of a search process. While we have a standardized methodology and way of getting things done, I like to flex my style to best serve my clients. They're the ones paying the bills. I get a lot of repeat customers, and I'm pleased about that.

### How have you seen the company grow and change over your tenure?

I've been here since April 2005, and probably the biggest growth or change I've seen is the number of people our company has—not just in the Dallas area, but throughout the Southern region of the U.S. Seeing that growth has been very gratifying. Another big change is the

addition of our strong research function. It gives me the ability to partner with someone in the process which is a great help in the day in and day out execution.

### What impact has technology had on the executive search business since you entered the field?

Technology has had a massive effect. In one way, it hasn't changed the fundamental nature of what we do. It's still about the people. However, it provides us with new tools that we didn't have before. The internet is a great place to go out and research businesses, markets and people, and that is fantastic.

On the flip side, it also provides companies with a lot of additional avenues for their human capital needs. So in some ways it can be competitive to our business as well as helpful to us.

### How has today's challenging job market affected PPI's business? How has the company adapted?

Companies are starting to hold back in terms of hiring, and are also managing their costs more closely. Unemployment has gone up. In hard times, companies desire to self-medicate and try to do searches on their own or not hire at all. But there are still plenty of good opportunities for us, particularly here in the Southwest market. Thus far, the small to mid-sized companies seem to be less impacted by the challenging economy, so there appear to be opportunities for us there as well.

### What do you think is the key to PPI's repeat business with top companies? What do you do better than anyone else?

I think the key to our repeat business is the development of relationships. The model that we have involves a lot of partner involvement and a lot of relationship building. Instead of our customers talking to some junior person throughout a search, they're usually talking directly to the partners.

### What do you like to do away from the office?

I have three daughters: Katherine, 14; Christianna, 11; and Sarah, 9. I stay incredibly busy with their sports activities and am very involved in coaching youth sports. I am also involved with teaching Sunday School at my church, and I'm on the board of the Business Associates Program at SMU, where I mentor college students. I also serve on the boards for a private school and my church. It keeps me busy. Any extra time I love to spend with my wife, Joy.

### Do you have a motto you live by?

I try to live by the golden rule: "Do unto others as you would have them do unto you."

### If you had to make a career change tomorrow, what job would you choose, and why?

If the sky's the limit, I'd probably go coach either high school or college basketball. I love having an impact in young people's lives, and I love the thrill of competition and teaching the importance of hard work and teamwork.



## Announcements, News and Events

- ❑ In September, Bill Rowe and Lisa Thompson were the featured speakers at the Young Presidents' Organization's "Hired Gun Seminar" in Miami, Florida. 60 YPO members from 14 countries attended the seminar which focused on transitioning from current leadership positions to new CEO roles or entrepreneurial endeavors. Bill and Lisa shared insight on defining your brand, creating powerful resumes, interviewing and salary negotiations, myths about working with executive search firms, preparing yourself for the market and next steps in making a change.
- ❑ Deborah Seltzer, who leads our Atlanta office, was elected Second Vice President of the Healthcare Businesswomen's Association (HBA) for 2009. She is also currently Secretary, which keeps her on the Executive Committee as well as the Board of Directors. For more information, visit the Healthcare Businesswomen's Association Web site at [www.hbanet.org](http://www.hbanet.org).

## Save the Date – Q1 2009 Spotlight Breakfast Series

Mark your calendars now for our next Breakfast Spotlight Series on the future of energy in America on March 3, 2009. Details and invitations will be extended in January.

### Search Spotlight

We're pleased to announce a few of our recent placements:

CFO, Greyhound Lines, Inc.

Executive Director, Arlington Tomorrow Foundation

CFO, Tenet PFS

## About Pearson Partners International

### Find, Retain & Develop Top Notch Talent

Pearson Partners International helps clients build world-class management teams. As a full service retained executive search firm, we secure top talent for some of the most challenging positions in the marketplace. Our track record of success has made us a trusted resource for loyal clients including Fortune 1000 companies, private equity firms and emerging businesses. Our search capabilities are complemented by a professional development and coaching practice to ensure executives reach their highest possible performance.

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Americas: Atlanta, Dallas, Calgary, Denver, Edmonton, Fort Lauderdale  
Europe and other key locations: Austria, Bulgaria, Croatia,  
Czech Republic, France, Germany, Italy, Hungary, Poland, Romania,  
Russia, Serbia, Spain, Switzerland, Turkey, United Kingdom  
Asia Pacific: Hong Kong, Shanghai



Pearson Partners International, Inc.

We appreciate your feedback.  
Please let us know how we  
may improve the quarterly  
*Searchlight* newsletter  
or our service to you.