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Did you hear the news?
The recession is over!

Federal Reserve Chairman Ben Bernanke recently announced that the recession is “very likely over,” and many economic indicators do appear to be on the rise. The Institute for Supply Management says that industrial activity is expanding. At the same time, new jobless claims are declining, price-to-earnings ratios are creeping back toward pre-recession levels, natural gas and crude oil prices are going up, existing homes are finally selling, and new homes are under construction.



Sounds good, right? So why, when we see a graph of what recovery might look like, do we hear talk of a “W” or “ski-jump” –shaped recovery? Is our “jobless” recovery going to be “consumer-less” too? When will consumers start carrying their 70 percent of gross domestic product?

Our panel of experts shed light on these and other issues at Pearson Partners International’s recent Spotlight Series Breakfast, part of an ongoing discussion about our economy and its impact on the business sector. We’re committed to bringing you informative perspectives on the issues that matter to your business, and thank you for your continued support of our event series.

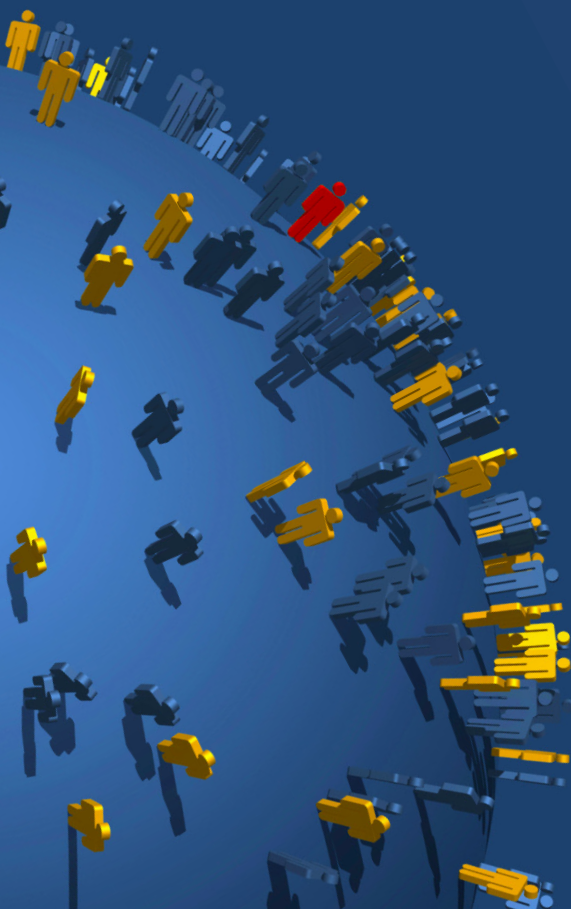
Respectfully,



Keith Pearson



Pearson Partners International, Inc.



Are We on the Road to Recovery? A Global Economic Discussion

From L to R: Peter Beck, Warren Strickland, Ron Rittenmeyer, Rhys Best, J. Coley Clark, Norman Bagwell



The third-quarter 2009 Breakfast Spotlight Series event, held September 1, 2009, featured the following esteemed panel members:

- ❑ Norman P. Bagwell, Chairman and Chief Executive Officer, Bank of Texas, N.A.
- ❑ Henry (Peter) Beck, Managing Director, The Beck Group
- ❑ Rhys J. Best, Retired Chairman and Chief Executive Officer, Lone Star Technologies, Inc.
- ❑ J. Coley Clark, Chairman and Chief Executive Officer, BancTec, Inc.
- ❑ Ronald Rittenmeyer, Retired Chairman, President and Chief Executive Officer, EDS
- ❑ Warren Strickland, Senior Director – Dallas Office, McKinsey & Company, Inc.

This quarter's presentation and panel discussion focused primarily on the current state of the economy and the many factors that could have an impact on how quickly it recovers from the current recession.

Consumers Are Key to Recovery

Globally, Japan, China, India and Brazil are showing strong signs of recovery. Here at home, the most crucial factor for economic recovery will be for consumers to start spending again. Although there are signs that the economy is starting to turn around, consumers are still keeping their wallets closed.

Consumer confidence has stopped dropping in both the United States and Europe, but it's far from strong. Even though consumers may be feeling a bit more confident, many still don't have extra money to spend, and what money they do have they're trying to save. The most optimistic forecasts predict another three to four years before GDP per capita gets back to where it was before, so Americans should brace for a modest and somewhat slow recovery.

Some analysts are concerned that the recent signs of recovery may be only temporary because they stem from government stimulus. The good news is, the \$787 billion stimulus package is working, and most of that money will show its impact next year.

Housing, Lending and Credit

The modest uptick in new home sales may indicate that the housing market has hit the bottom and is headed back up. Even if we're not quite there yet, the recent upturn is better than a continued steep drop. However, there could be more bad news to come.

This recession's roots lie in a drop in consumer spending as a result of mortgage problems and the sub-prime lending crisis. Over the next two years, many Americans will face option adjustable rate

mortgage resets, which are equally as dangerous as sub-prime loans. About 80 percent of option ARMs are expected to go into default, resulting in hundreds of thousands of consumers upside down on their homes even as the economy rebounds.

At the same time, the commercial real estate lending market could be facing a capital crunch as lending sources dry up and mortgage holders cannot refinance as mortgages come due. A lack of access to credit may further dampen recovery for both industries and individuals.

Unemployment may also actually be higher than reported, as the recently announced 9.7 percent unemployment rate doesn't take into account temporary employees and those who have given up seeking work.

Meanwhile, 77 million baby boomers will be retiring in the next 18 years – a time period when only about 44 million new employees will enter the workforce. Although there ultimately may be more jobs than workers in future years, those 44 million will spend less and contribute less in taxes, placing more strain on an already struggling economy.

Businesses Are Busy, But Not Borrowing

On the business side, companies are merging, acquiring and making initial public offerings at a rapid pace. However, many businesses are focused on paying off debt and accumulating cash, rather than on growth. Outside of the energy and healthcare sectors, banks aren't seeing the usual level of demand for commercial loans to fund growth initiatives.

Globally, business inventories have shrunk, and those inventories will have to be replenished at some point, which will require workers and supplies. Stock markets are expecting recovery. Commodity prices are rising, as are Treasury bond yields and stocks. And, with the enormous amount of stimulus in the marketplace, the business sector is likely to soon begin its forward march once again.

Save the Date – Q4 2009 Spotlight Breakfast Series

Mark your calendars now for our next Breakfast Spotlight Series scheduled for December 8, 2009. Details and invitations will be extended in November.



Becoming the Job Candidate Every Employer Wants

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

In a competitive job market, first impressions count more than ever. Here are a few pointers for selling yourself and your skills – and avoiding common pitfalls – in any interview.

1. **Don't just say you're creative.** Show the interviewer what you've done and the results. How did you solve a problem, save your company money, or create a new department? Be specific.
2. **Avoid meaningless name-dropping.** If you don't know the influential people well enough to make a difference to your new employer, don't mention them.
3. **Describe exactly how you can add value.** Know your prospective employer well enough to know how you can solve a problem for them, and then tell them how you can do it.
4. **Avoid discussing your current boss.** This one's a no-brainer. People talk, and this is not in your best interest now or in the future.
5. **Avoid anything with political overtones.** Every company has its own climate and culture. Politics are present everywhere, and you don't want to be identified with a particular view or issue unless it's part of what you're being hired to do.
6. **Educate about your authorships, presentations and associations.** This identifies your ability to network and create influence, and that's definitely an added value to your prospective employer.
7. **Practice your interview skills before you get there.** Being confident in your talents, skills, and abilities is great. But do your homework on the prospective employer and new boss. Anticipate the questions, and be ready with your answers. Winging your interview can cost you.
8. **Talk about team projects you have done.** Focus on the challenging projects you've done with others, not on controlling. You want to be identified as a team player, not a bully.
9. **Be computer-literate and Internet-savvy.** Being a dinosaur when it comes to technology is not a value-add. Show you can access information you need to get the job done.
10. **Emphasize your high-level experience and your results.** Demonstrate your ability to get results and manage people well by motivating them and creating cohesive teams.

Bob Pearson Speaks Out on Hot Topic: Women on Boards

Bob Pearson, Chief Executive Officer and Founder

Bob Pearson, chief executive officer and founder of Pearson Partners International, was recently a guest on the Ms. CEO Show with Felicia Joy, a national talk radio show for women entrepreneurs. The topic was one that's top-of-mind both for growing companies and upwardly mobile women: "Corporate Boards: Time for Women to Take Their Rightful (and Profitable) Place."

According to the show's host, Felicia Joy, women comprise more than half of the workforce at large corporations, but only about 15 percent of board positions are filled by women. During the broadcast Pearson pointed out that it's not because corporations don't want women on their boards of directors. Studies have shown that women on boards often make better decisions than their male counterparts, and having females on boards can attract more senior women to the company in other key roles, Pearson said.

For these and other reasons, Pearson Partners is almost always asked to consider gender diversity when the company is retained to fill board seats. However, qualified women can be hard to find, especially since Fortune 1000 companies want experienced, C-level executives for their boards. There just aren't large numbers of

female C-level executives out there, Pearson pointed out, and many of the women in those roles are already busy serving on other boards.

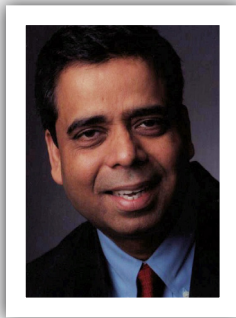
Despite the odds, Pearson Partners has been able to bring diversity to boards during many recent searches for Fortune 1000 companies. How? By convincing the companies' CEOs that they needed to tap into a larger pool of female board candidates by considering lower-level leaders, such as senior vice presidents of human resources. At the same time, companies may find more qualified candidates within the not-for-profit, government and public sectors, as these are good training grounds for women wishing to break into board service.

On the show, Pearson recommended that women seeking board positions add their resumes to Pearson Partners' database by e-mailing Pearson directly through the company's web site at www.pearsonpartnersintl.com. To hear the entire program, visit www.msceoshow.com.



Pearson Partners Welcomes New Advisory Board Members

Pearson Partners International is pleased to announce the addition of two new members to our board of advisors, which meets on a quarterly basis to review Pearson Partners' business progress and provide counsel to ensure long-term success.



Sanjay Joshi is president of Meadow Capital, an investment and advisory firm focused on accelerating the growth of small and mid-sized firms, and managing director of Bainbridge Capital. Prior to founding Meadow Capital, Mr. Joshi was Wipro's chief executive, global programs and consulting, and had previously served as vice chairman and member of the board of Wipro Spectramind (Wipro BPO). He has a master's degree in business administration from the Kellogg

Graduate School of Management at Northwestern University, a master's of science degree in computer science from Pennsylvania State University, and a bachelor's degree of technology in computer engineering from BIT in India. He is also a graduate of the Oxford-Georgetown joint program in international management.

Joe Bosch is the former senior vice president of human resources for Centex Corp., where he was responsible for all aspects of human resources, including HR strategy and policy; talent acquisition, assessment and development; compensation and benefits; and HR deployment processes. Prior to joining Centex, Mr. Bosch served for two years as senior vice president of human resources for Tenet Healthcare Corp. He also spent nine years at Pepsi-Cola North America in a series of increasingly responsible positions in human resources, culminating in his role as vice president of employee relations for Pepsi-Cola East. In addition, he served in the U.S. Army for three years. Mr. Bosch received a bachelor's degree from Cornell University.



Search Spotlight

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

- VP of Information Technology, Reddy Ice Holdings, Inc.
- VP of Human Resources, Reddy Ice Holdings, Inc.
- VP / General Manager UK, C.H. Guenther & Son, Inc.
- Director Information Services, C.H. Guenther & Son, Inc.
- International Director of HR, Rich Products Corporation

Eye on Assessments

No matter how successful an organization or team may be, there's always room for improvement. In a tight economy, it's more important than ever to know how you and your management team stack up. Pearson Partners International offers comprehensive assessment services, spearheaded by Lisa Thompson. A Licensed Professional Counselor, Lisa's credentials include front-line business experience as well as certifications in coaching and assessment diagnostics. We can conduct a customized, 360-degree evaluation and analysis of your full team or an individual using tools including:

- Behavioral Interviews
- The Birkman® Report
- The Birkman® Coaching Report
- CPI 260® Leadership Report
- The Leadership Effectiveness Analysis™
- Meyers Briggs MBTI® Step II Interpretive Report
- Strong-Campbell Interests Inventory

Contact us to learn more about how you can use assessments to gain a competitive edge.

Pearson Partners' Profile: Renee Baker Arrington, Vice President

What was your first job?

My first job at 15 years old was an unpaid summer internship with an interior designer. My family was in real estate development, including home building, so it was natural for me to investigate this career. It was fun and hard work. I learned that client service, creativity and tenacity are important ingredients to business success.

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

After graduating from college, I studied with Parson's School of Design in Paris. There I learned that my French language skills far outstripped my design ability! Returning home, I started in the executive search business at the bottom of the ladder with Paul R. Ray & Company. In 14 years, I was a shareholder and partner and had forged lasting friendships with my current colleagues Carol Maxwell, Bill Rowe and Deb Seltzer.

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

Executive search is filled with variety, and the work is compelling, which makes it the right field for me. You meet exceptional business leaders as you develop client relationships and interview candidates. Each day is different, each client unique, and each search has its challenges. That is what keeps me engaged.

What are some highlights of your career so far? Tell us about your best days or proudest moments.

One proud moment in my early career came when I was recognized at our firm's annual meeting for professional excellence by winning a certain award. Earning this honor was quite meaningful at that firm, and the award is proudly displayed in my office today.

What is your philosophy or approach when it comes to client relationships?

The most successful client relationships are true partnerships where everyone works toward the goal of attracting and hiring the best talent. Building this type of relationship requires investing time to walk our clients' halls and become a student of their business and culture. Since we take the pulse of the market every day, we can offer interesting insights to our clients. We can educate our clients on how their companies are viewed by the market and by top candidates. Most clients see the value in information that we gather through an effectively run executive search.

How have you seen PPI grow and change over your tenure?

January 2010 marks the beginning of my fifth year with PPI. In that time, we have built our business infrastructure by adding partners across the U.S., creating our Advisory Board of former CEOs who champion our firm, refining our Spotlight Series breakfast events, and launching an improved web site. We have grown our brand and, most importantly, expanded our client relationships by striving to deliver exceptional service and the right solution.

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

This job market has affected the executive search industry across the board, PPI included. We have adapted in several ways - like all businesses, we are watching our costs, and we're seeing an uptick in our professional coaching and career transition business led by Lisa Thompson, L.P.C.

The market today is more competitive for executive search firms. Our clients hire fewer senior executives and use search less frequently. We have adapted by being more prepared for every meeting, fielding the right teams to pursue the business, and once we win it, executing crisply and quickly. We recently completed two vice president-level searches in less than eight weeks, while the normal cycle time is 12 to 15 weeks.

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

We value building relationships with our clients, which leads to repeat business. We aspire to provide exceptional client service. Each partner in our firm personally executes his or her assignments. This allows us to continually be in the market, glean knowledge and insights that we share with our clients and deepening our relationships.

What do you like to do outside of the office?

I enjoy giving back to the community and have served on boards of directors for North Texas Public Broadcasting and the YWCA of Fort Worth and Tarrant County. My husband and I cherish time with friends and family. We often cook together and entertain in our home. I delight in my weekly French lessons and prize any time I have for creative endeavors like gardening, sewing, or quilting.

What motto do you live by?

As a self-described eternal optimist, I believe attitude and hard work are keys to success. There is a quote by William James I find inspirational: "The greatest discovery of our generation is that human beings can alter their lives by altering their attitudes of mind. As you think, so shall you be." Another by Thomas Alva Edison is particularly appropriate in business today: "Opportunity is missed by most because it is dressed in overalls and looks like work."

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

In between interior design and executive search, I worked on newspapers in high school and college and took my degree in journalism. If I had to change tomorrow, I'd look for a position that combines creating, investigating, selling, interviewing and writing. This could be in many areas, such as fundraising and development, media relations or even hosting a radio talk show.



Case Study: Lone Star Steakhouse

Targeted Search Locates Experienced Director of Training for Restaurant Chain



After a 2006 merger, the restaurant chain Lone Star Steakhouse & Saloon/Texas Land & Cattle Steak House opened its Plano, Texas office and created a new role for a director of training. But finding the ideal person for the job was a tall order. In addition to practical training experience, the candidate needed to be a good fit for the company culture: a self-starter and good speaker who could also work collaboratively at both the corporate level and in the field.

Although restaurant industry experience was not a deal-breaker, it would save the company from the time and expense involved in training the new employee.

"We needed a combination of several different skills sets and talents, and it was a lot to ask," says Pat Barth, senior vice president.

Pearson Partners had placed Marc Buehler, the company's chief executive officer, into his job, so when it was time to find a director of training, Pearson Partners was a natural choice.

"Pearson Partners was tenacious in getting good candidates in front of us to review and interview," Buehler says. "Pearson Partners has strong prequalification skills and targeted our industry. They had great contacts and brought us a perfect range of candidates."

Other recruiting firms the company has used to fill managerial roles simply found resumes on job-search Web sites and presented them with little or no supporting background information, Barth says. Instead, he notes, Pearson Partners does their homework.

"On these targeted searches, Pearson Partners does a nice job giving us background information and looking for a behavioral match," Barth says.

Additionally, Buehler was impressed that Pearson Partners' representatives spent time interviewing the necessary current team members to understand the company's culture and business needs.

In less than three months, the job went to a Pearson Partners' candidate who had all the necessary skills, plus restaurant experience.

"We couldn't be happier," Barth says. "Pearson Partners was very responsive. I am one of the most critical people you'll find, but they were truly a pleasure to work with. We found them to be very good partners and would enjoy working with them again."

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 assessment and coaching practice to ensure executives reach their highest possible performance.

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



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