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If you're following the innovation engine in North Texas, you may be wondering, where has all the venture capital gone? According to the panelists at our recent quarterly breakfast on Sept. 14, the money is still out there. It's just in different hands, and it doesn't come as easily as it used to.



That's not to say that local entrepreneurs are out of luck. On the contrary, if a seed company has quality ideas, a strong business model and a capital-efficient mindset, all it needs are the right connections to get the ball rolling. Once funding is in place, that's when the magic of innovation really happens.

North Texas businesses are breaking new ground. From business model innovation to wireless technologies, healthcare, energy, transportation and more, local businesses are pushing ahead of the pack with innovations that raise the bar for their respective industries.

What takes these companies to the next level? Brainpower—and brainpower is built with education. Here in North Texas, while we do have some top-notch schools of higher learning, we don't have an MIT or a Stanford. We are working on it—but for now, sourcing the talent companies need requires another type of innovation. Some companies are going so far as to move operations out of the country to tap into a growing R&D boom overseas.

It all makes for a challenging and exciting time for innovation here in North Texas, and we at Pearson Partners International are proud to be the go-to resource for the talent driving many of the most innovative companies in our area.

Respectfully,

A handwritten signature in black ink that reads "Keith Pearson".

Keith Pearson



State of the Innovation Engine in North Texas

Although venture capital funding has slowed, innovation is far from dead in North Texas. Angel investors are funding the best and the brightest, albeit with a greater level of involvement than we've seen in the past. Despite the rough economic tide, local companies are making a big mark with game-changing new technologies. And education plays a critical role in developing the talent that makes it all possible.

This Spotlight Series event highlighted North Texas' venture capital market, local business sectors leading in innovation, and the link between education and innovation.

Our esteemed panel members included:

- ❑ **Jackie Kimzey**, General Partner, Sevin Rosen Funds
- ❑ **Drew Koecher**, Partner, KPMG LLP
- ❑ **John Reed**, General Partner, Azalea Ventures, LLC
- ❑ **Jean-Louis Trochu**, Corporate Development and Venture Capital Program, Texas Instruments, Inc.

Venture Capital

Is the slowdown in venture capital funding in North Texas due to a lack of capital or a lack of good companies to invest in? While the venture capital market has ebbed and flowed over the last 10 years, today there are still great companies available to invest in, but a lot of money remains on the sidelines. A recent surge in private equity angel investing has taken some opportunities away from venture capital companies. This is a good time to be starting companies and getting capital, but the challenge lies in connecting those with the funding to those who need it.

Historically, a large number of great companies started in recessionary periods. Gone is the period of excess in which too many marginal companies were funded. Today, higher quality startups have created their jobs out of necessity and are more capital-efficient. Those that are innovative will find the money they need, and the venture model may one day rise again.

Also gone are the days of "take the money and run with it." Depending on the funding model, getting capital increasingly means getting advice. Some angel investors serve as board members for the companies they fund, and some venture capital companies now provide in-depth mentoring to help new entrepreneurs learn from others' experience.



From left to right:
Jackie Kimzey, Drew Koecher, John Reed, Jean-Louis Trochu

What's Thriving

In North Texas, several business sectors are making notable leaps in innovation, particularly those that deal with technology:

- ❑ 4G wireless companies working to bring more bandwidth to mobile phones and PDAs
- ❑ Support companies that develop wireless products
- ❑ Healthcare and nanotechnology
- ❑ Energy: horizontal drilling, energy management and efficiency
- ❑ Chemicals
- ❑ Transportation: sensors, safety and new electric vehicles
- ❑ Consulting and offshoring
- ❑ Food: casual dining and convenience stores

The Talent Drain

Education and innovation are closely linked, but North Texas does not currently have a Tier 1 university that serves as a base for research and development. While the University of Texas at Dallas and other local universities are developing their R&D programs, they are still years away from Tier 1 status and need the support of area businesses to one day become a significant engine driving the local economy.

Many North Texas technology-oriented companies employ foreign-born people who came to the United States to earn engineering degrees. However, many foreigners who come to the United States for high-quality education are lured to good jobs back home, where wage rates are increasing. To tap into that brain trust, some American companies are opening plants in countries such as India and Indonesia, and development jobs are increasingly moving overseas, as manufacturing jobs did years ago.

Save the Date—Q4 2010 Spotlight Breakfast Series

Mark your calendars now for our next Spotlight Breakfast Series scheduled for December 7, 2010. Details and invitations will be extended in October.



Expert's Corner – Mark Harwell

Social Networking in Business

Our July 2010 meeting of the DFW HR Roundtable featured an informative discussion about social networking in business. Our guest speaker was Mark Harwell of AvidityMedia, a marketing, PR and social networking expert. We sat down with Mark for a more in-depth discussion of how best to leverage social networking in business and recruiting.

For more information about the DFW HR Roundtable and how you can participate in upcoming meetings, see page 5 of this newsletter.

PPI: What do you mean by social networking, and how can it help me?

MH: Social networking is the way the 21st century communicates. It's just a new way to develop a business presence, and it's an important strategic maneuver to help customers identify with you or your products and services, and learn what you stand for. Some of the biggest social networking websites are Facebook, LinkedIn, Twitter, Digg, Delicious and MySpace.

Some of these websites involve individuals and businesses creating profiles and then generating activity around their profiles (e.g. Facebook and LinkedIn.) Others don't lean as heavily on the profile and instead focus on the content and attracting "followers" (e.g. Twitter and YouTube.) Both types should be used in tandem in an effective marketing and PR campaign.

Although social networking has created quite a buzz recently, it's certainly not a new concept. Clubs and hobbyists, community newsletters, Amazon.com sales recommendations, and similar groups and tools were using social networking before it was even called that. Today, businesses are starting to see the value in social networking for core functions like public relations, brand awareness, recruiting, sales and marketing.

PPI: What are the differences between the various websites? Do I need to use all of them?

MH: There are several platforms for social networking. Each has a slightly different model and it is worthwhile to consider them all for specific reasons. Business-focused sites (such as LinkedIn) build relationships, allowing you to create a network of past and present coworkers and contacts to broaden your reach in research, marketing, branding, recruiting, etc. I'd say everyone in business should be on LinkedIn.

Micro-blogging sites (such as Twitter) are used to report on, research and respond quickly to things like trends, news items, company announcements, etc. Twitter seems to be the most misunderstood of all the social networking sites. If you're not using it to market your products, try using it first to research what similar companies are doing. Then once you delve in, use a monitoring site like monitter.com to keep track of feedback about your company and your competitors. Your messages can become viral by gaining "followers" and having them "retweet" your posts. Freshness and frequency of content are key on Twitter.

Relationship-focused sites (such as Facebook) also build business opportunities. Facebook is the largest social networking site, with over half a billion users. Although it started as consumer-focused, businesses can now have a "page" where they attract "fans". Your fans can generate buzz around your brand on their own pages. Facebook offers many tools for businesses (such as Facebook apps), Facebook Connect (which integrates your business's Facebook page with your website), advertising and marketing polls.

Video-focused sites (such as YouTube) provide compelling and viral messaging opportunities for entertainment, training, product demonstrations and reviews, PR, sales and marketing via short video format. These videos should be posted on YouTube as well as your website. Testimonial videos that allow your customer to tell their story are even more powerful. If it's particularly entertaining, other users may re-post your video, supporting the viral initiative. Video is proliferating on the Internet faster than any other technology.

PPI: OK, I am ready. How do I get started?

MH: Creating a successful online presence is not a transformation that takes place overnight, nor is it one that once done, is done for good. Instead, it consists of a series of Internet marketing and search engine optimization strategies to convey a consistent message to your market.

Whether it's through videos, content creation and distribution, article submissions, press releases or a myriad of other promotional opportunities, repeated, focused messages must be sent to potential customers. Ideally, over time, these messages become embedded in the consumers' mind and then, when they are in need of your products or services, your business will be the one they choose.

(Expert's Corner, continued on page 4)

Expert's Corner

(continued from page 3)

So, before you begin formulating your strategy, decide what it is that you want your prospects to remember about you or your business. This should be the theme that runs throughout your online presence. All creation and optimization must be based around these determinations. Once this is established, do everything possible to continually represent what it is that you are trying to impress upon people and what you want them to remember that you stand for.

PPI: What are some examples of companies that are doing it right?

MH: A few of my favorites include Einstein Brothers, who did a great campaign on Facebook offering a free “bagel and schmear” to their Facebook fans. It was a complete success and they gained over 400,000 fans who now follow their announcements daily. Kohl’s created a networking site for moms called CafeMom. Traffic spiked on the Kohls.com site and the strategy helped establish brand awareness, brand association, and increased sales for the company. IKEA created a sort of scavenger hunt that led from their online sites to stores. The campaign was an instant success with minimal expense.



How to Prepare for a Behavioral Interview

Tips from the Career Coach

Behavioral interviewing is a process first made popular by industrial psychologists in the 1970s. It is a style of interviewing that asks you questions to demonstrate your knowledge and competencies based on your experience. The process is based on the assumption that past performance is predictive of future performance.

Typical skill sets examined in this type of interview include leadership, motivation, interpersonal skills, decision making, problem solving, strategic planning, critical thinking skills, team building, and the ability to persuade and influence others.

To prepare for a behavioral interview you should review your accomplishments and focus on answering questions that start with:

- “Give me an example of how you have ...”
- “Tell me about a situation where you ...”

PPI: What trends are you seeing for the future of social networking?

MH: Real-time activity. It allows users to contribute content, which is then broadcasted as it is being uploaded. Clixtr focuses on photos, Foursquare allows you to “check in” to places, and Yelp and Gowalla provide suggestions for nearby restaurants and other businesses based on a user’s location at that moment. A very new technology I have my eye on is micro-video-blogging. Check out www.12seconds.tv.

PPI: Any final piece of advice on social networking?

MH: The key is to find out what works for your company, which takes planning, brainstorming and reinventing. Remember, think about what your target audience wants, and find a smart, witty or informative way to bring it to them. Make your content fresh and frequent, monitor the results and make adjustments accordingly.

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

- “How did you deal with a situation in your past role where ...”
Look closely at the job description and specific skills required for the role. Analyze your past experience and background, matching your skills to the necessary competencies. Identify specific examples or situations that demonstrate those skills. Develop your responses using the “SAR” model:
 - State the **S**ituation or problem
 - Outline the **A**ction you took
 - Define the **R**esults or outcome
- If you prepare and practice, the behavioral interview provides a valuable opportunity to demonstrate your strengths and abilities.



On July 20th, Pearson Partners International hosted the bi-monthly lunch meeting of the DFW HR Roundtable, a Dallas-area group of senior corporate human resources executives that meet in person and online to discuss challenges and opportunities in the human resources discipline. In past meetings the group has discussed a variety of topics ranging from technology in recruiting to board issues to impending legislation. Our July topic was how to effectively leverage social networking in business and recruiting. Our guest speaker was Mark Harwell, a social networking expert and entrepreneur who has formed over 30 companies in the Internet and social networking space. For an in-depth look at what we discussed, please see our interview with Mark on page 3 of this newsletter.

Watch for details on our September meeting in our next newsletter, and please save the date for our next meeting on November 9, 2010. To join the DFW HR Roundtable and receive an invitation to upcoming events, email info@dfwhr.org.

Pearson Partners Advisory Board Profile: Sanjay Joshi, President, Meadow Capital

What is your business background?

My background has been in the business of technology. I started out as a supercomputer engineer hacking operating systems. Post business school, I spent time with McKinsey building its technology practice. More recently, I was fortunate to run global consulting, technology, marketing, and BPO business for two large, fast-growing, publicly listed IT services firms—Wipro and Infosys.

What drew you to Pearson Partners?

The quality of its people and its commitment to exceptional client work.

What do you think are some of the key issues or challenges in executive search (and/or executive talent development) right now?

I believe the level of specialization, the “domain depth” expected of executives has significantly increased over the last several years, particularly coming out of the recession. Companies are under intense pressure to tackle specific issues in a hurry (be it geographic expansion, balance sheet restructuring, or sales growth). As such,

Companies are under intense pressure to tackle specific issues in a hurry... As such, they are looking for executives who can hit the ground running on day one. The role of the executive search firm becomes all the more vital.

they are looking for executives who can hit the ground running on day one. The role of the executive search firm therefore becomes all the more vital in calibrating the external candidate in an objective, speedy fashion.

Describe your leadership style.

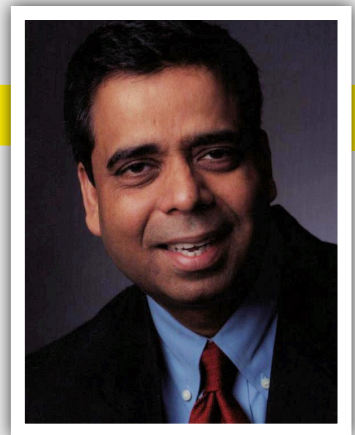
I would characterize the style as “challenge the team.” Fundamentally, I believe a core role of the leader is to provide clarity to his team, and within that context, challenge them to outperform themselves. Everyone loves a good challenge. With challenge comes personal growth. And from cumulative personal growth programs comes business growth.

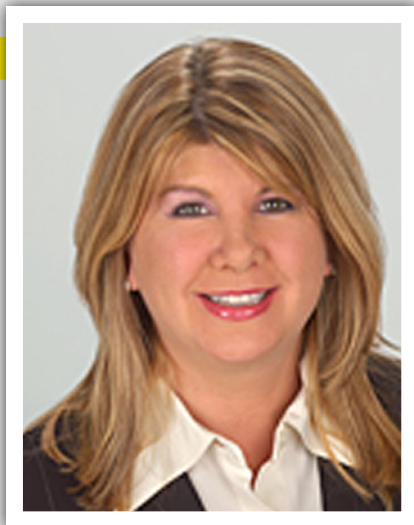
What do you like to do outside of the office? Hobbies or passions?

Hanging out with my kids, rooting for the Dallas Mavericks, reading and travel—particularly rail travel. I would love to cover Paul Theroux’s route—especially doing the world’s longest transcontinental rail journey from Riga in the Baltics to Vladivostok on the Russian Pacific Coast.

What motto do you live by?

Carpe diem...seize the day. Indeed, each day is a terrific blessing to be grateful for. Each day is a fresh opportunity to do some outstanding piece of work. Make it great for yourself and for others.





Pearson Partners Profile:

Jill C. Pearson, Principal

What was your first job, and what was it like?

I worked as an intern at a commercial real estate firm in Dallas, at a time when the industry was booming in Dallas. The young team of friends who started the firm out of college were all in their mid-twenties, making money hand-over-fist and

having a great time doing it. It was a dynamic and fun environment. I learned a lot about investments and finance, and extended my internship twice before going back to college.

How did you get started in the executive search business?

I grew up learning the business since my father had been in executive search from the time I was in high school. Even then, I was fascinated by the variety of people and businesses an executive recruiter works with every day. I followed a similar career path, first at Interim Services (now Spherion) and later at Monster Worldwide. When Bob and Keith formed PPI, I helped from the beginning with the business planning and research, and six months later joined the firm full time.

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

I love working with people. It's so interesting to learn about different businesses and industries each time we get a new search, and talking with people from so many diverse backgrounds. I am fascinated by how people follow such varied paths and I find it rewarding to help them evaluate where they are in their career and if a new opportunity would be right for them.

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

One of my proudest moments was when I was working for Interim Services and negotiated a deal with Monster Worldwide that was Monster's biggest client relationship to date. The CEO of Monster recruited me away from Interim and convinced me to move to Chicago to run field sales for a quarter of the country. This was at the height of the dot-com era and it was a really exciting experience. It was a huge challenge and involved uprooting my children, but we had the time of our lives there living the downtown big-city life. I think it was great for them to have had that lifestyle diversity growing up.

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

In the beginning it was just Bob and Keith in a home office in Dallas. In the past seven years we have grown to 17 employees in two companies in four offices. Last year we signed a joint venture with a global search firm with offices in 30 countries, and we are currently looking at several alternatives to further our U.S. expansion. It has been exciting to be a part of this growth and success.

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

Since we are a retained search firm, the large number of unemployed executives doesn't necessarily help our business, but we wanted to find a way to help them. Five years ago we created our affiliate firm, Executive Career Consultants, to serve these senior executives in transition. It's a natural synergy between our businesses.

What do you think is the key to PPI's repeat business with top companies?

What do we do better than anyone else?

As a boutique firm, our relatively small size allows us to provide very personalized service to our clients. Each recruiter has a manageable number of searches at one time, so they can work more closely with our clients. We don't have a big research or administration staff, so each of us personally manages every step of the search process. Many of our clients have told us that this is a big differentiator between us and the large search firms. One of our biggest advantages is that we don't have a list of companies that we can't recruit from—what the big firms call their "off-limits list." Also, our flexible business model has been especially attractive in the recent economy, as we have worked with a number of our clients to modify our search process to meet their needs.

What do you like to do outside of the office? Hobbies or passions?

I am a single mom with two teenagers, and they are my passion. My son started college this fall and my daughter is applying to colleges now. I can't understand where the years have gone! I am active in several charitable and civic organizations including the Chamber of Commerce, the Film Festival, Pinion Special Olympics, the American Lung Association, Breast Cancer Awareness, the Saint Patrick's Day Festival and the Museum of Science. I love to cook for my family and friends and enjoy boating and fishing when I'm lucky enough to be invited.

What motto do you live by?

Do unto others as you would have them do unto you. I really believe in karma and maintaining a positive outlook.

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

In another life and without kids, if I had to make a career change I would go to med school and be a physician. I love science and medicine, and the thrill of solving mysteries and resolving crises. It would be extremely rewarding to work with Doctors Without Borders.

Featured Open Position

We are currently conducting a search for:
MillerCoors – Chief Information Officer

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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Pearson Partners International, Inc.

Announcements & News

Sanjay Joshi Joins Pearson Partners Board of Directors

Pearson Partners International is pleased to announce the addition of Sanjay Joshi to our board of directors. Sanjay is president of Meadow Capital, an investment and advisory firm focused on accelerating the growth of small and midsize firms, and managing director of Bainbridge Capital. Sanjay serves on the Membership Committee of the Young Presidents' Organization, North Texas chapter; is a charter member of The Indus Entrepreneurs; and serves on the Leadership Council of the America-India Foundation in Dallas. He earned his master's in business administration from Kellogg Graduate School of Management at Northwestern University, and a bachelor's degree in technology in computer engineering from BIT in India. We're glad Sanjay has become a valued contributor to our group, and welcome him aboard.

Search Spotlight

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

- Director – Risk & Finance, Regency Employees Management Holdings
- Director IT – Internal Delivery, CB Richard Ellis
- Director IT – PeopleSoft Delivery, CB Richard Ellis
- Exploration Geologist – Turkey, TransAtlantic Petroleum Corp.
- HR Manager – Turkey, TransAtlantic Petroleum Corp.
- Chief Operations Officer, APIA Engineering Consulting
- Chief Operating Officer for University Hospitals, UT Southwestern Medical Center