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## A Message from Keith Pearson, Vice Chairman and President

If you're happy to see signs of economic recovery, you're certainly not alone. The tide appears to be turning at last, with many of our clients showing signs of optimism and growth.

During each of our past five quarterly breakfasts, regardless of the chosen topic, the conversation has consistently returned to the economy. It seems that every business has been searching for the right strategies to emerge from the recession even stronger than before—a trend that has driven much of the discussion at our events.



Now that we appear to have turned a corner, our breakfast events are getting back to our traditional focus on business processes and hot trends. For example, our recent breakfast on June 8 was all about innovation—a topic that's top-of-mind for companies seeking to gain an edge in an increasingly technology-focused business environment.

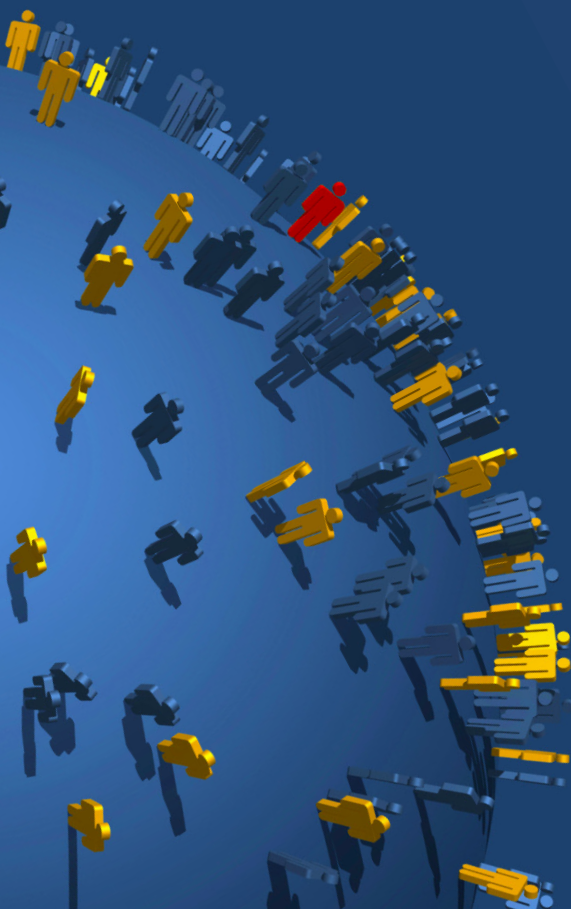
One idea that came up repeatedly during the discussion was that of consumer privacy, and consumers' willingness to forgo some of their personal privacy in exchange for something they want. And that's the million-dollar question: What do consumers want? Increasingly, our panelists say, it's not the traditional marketing messages and methodologies. They want connection. Experiences. Humor. And the companies that are giving it to them, using new media and creative new indirect marketing methods, are building a new and deeper bond with their customers—and their employees.

A company is only as innovative as its brightest minds. So as our clients return to business as usual, we're glad we can help them find the brainpower that will take them to the next level.

Respectfully,

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

Keith Pearson



# Keeping Pace with Lightning- Fast Innovation

**Fifty years ago, no one could have imagined a world in which millions of people could hold a powerful computer in one hand, and use it to connect instantly to virtually anyone by voice, text or social networking. Such technology is just one of many life-altering breakthroughs we've witnessed in the past half-decade. The pace of innovation has been lightning-fast, but it's nothing compared to what we can expect in the next five to ten years. And companies that move fast and connect with consumers in innovative ways are leading the path forward.**

This Spotlight Series event highlighted trends in technology and their impact on consumerism, consumer privacy and corporate innovation. Our esteemed panel members included:

- ❑ **Ed Anderson**, Chief Strategy Officer, CompuCom Systems, Inc.
- ❑ **Paul D'Alessandro**, Partner, Diamond Management & Technology Consultants
- ❑ **Steve Davis**, Executive Vice President and Chief Operating Officer, e-Rewards Market Research
- ❑ **Susan Schramm**, Head of NAM Marketing & Communications, Nokia Siemens Networks

## The "Third Wave" of Consumerism

Interactions among humans have come a long way since the days of face-to-face bartering 1,000 years ago. After the Industrial Revolution, when economies of scale came into play, manufacturers and companies became increasingly distant from the consumers who bought their products, and larger companies stamped out competition from smaller ones. But all that changed with the Internet, which creates new opportunities for interaction between buyers and sellers. Today, it's all about the consumer's experience, along with the combination of speed and scale that creates a new level of competition.

The success or failure of a new product depends largely on consumer reaction, which, thanks to open conversation on the Internet, can be measured earlier than ever before. But there's still a role for marketers to play by using innovative new approaches to deeply connect with people and entice them to become self-organizing participants in an experience, rather than simply passive consumers.

## Key Trend: Consumers Giving Up Privacy

Today's consumers—particularly the younger generation—are willing to trade in some privacy in return for what they want. For example, unless they opt-out, Facebook users agree to share specific information with the public—including their gender, photos and name—in exchange for reconnecting with old friends and having a convenient medium for communication.

By contrast, for the baby boomer generation, private information has always been closely held. Boomers are used to having to take action to share information about themselves, while for the new generation "public" is the default, and going private requires action.



From L to R: Ed Anderson, Steve Davis, Susan Schramm, Paul D'Alessandro

With this in mind, companies are finding that their old ways of marketing aren't working anymore. But while people are willing to share their personal information, they're doing it selectively. For example, few people are willing to register with a Web site just to download a Whitepaper. However, they may be willing to watch a targeted animated video that incorporates a sense of humor with a more subtle marketing message.

## Behavioral Economics and the Culture of Innovation

Another important trend is toward developing and marketing products based on psychographics rather than on traditional demographics. In other words, companies are studying consumers' behaviors rather than simply their age, gender or location. For example, Southwest Airlines is one of the few airlines that is not charging for checked bags. Although it's leaving millions of dollars on the table, it's more than making up for it with increased market share because it's giving consumers what they want.

Another important trend to note is that if businesses don't give their own customers what they want, someone else will. For example, Mint ([www.mint.com](http://www.mint.com)) creates personal budgets by aggregating consumers' banking, credit card and other information online or in a mobile application—essentially becoming a middleman between consumers and their banking and lending institutions, and pushing aside that one-to-one relationship.

But where do innovative ideas come from? Companies are wise to capitalize on the brain trust that exists in the young people they employ. Giving these employees the opportunity to suggest ideas and get them into the product development or marketing pipeline creates a culture that honors innovation and helps to keep a company ahead of the curve.

## Save the Date—Q3 2010 Spotlight Breakfast Series

Mark your calendars now for our next Spotlight Breakfast Series scheduled for September 14, 2010. Details and invitations will be extended in August.

# Effective Networking to Reach the Hidden Job Market

## Tips from the Career Coach

In a competitive job market, you have to stand out from the crowd. There are a lot of people vying for many of the same opportunities, and often positions are filled before they're even publicized. How do you get at this hidden job market? It's imperative that you have a broad and well-informed network. The people in your network are not only sources of information but your ambassadors as well.

Networking sounds easy, but doing it effectively and strategically is a talent. Where do you begin, what do you want to come away with, and how do you follow up? Here are some tips.

**Go beyond the "thirty second elevator speech."** Have a clear and concise story down pat, but prepare some interchangeable modules that highlight various areas of your background, skills and interests. In this way, along with some homework you've done ahead of time, you can easily tailor your message to the person or group you're talking with.

**Be honest.** Many executives are timid or embarrassed about admitting that they are in transition or seeking a career change. Others are afraid their employer will get word of their desire to make a change. But in this economy it's not uncommon to be in transition at some point, and it is no longer a reflection of you or your abilities.

**Dig a little deeper** than "please keep me in mind if you hear of anything." You will get much more value out of the relationship if you ask some probing questions, such as:

- Do you know any companies in the \_\_\_\_\_ industry?
- What sort of companies do you think would be interested in experience and skills like mine?

- Do you think my job objectives are realistic?
- What general trends do you see in the \_\_\_\_\_ industry?
- How did you get into this field?
- What do you like most about your job/company/industry?
- What do you like least about your job/company/industry?
- Are there any particular companies that are leaders in this industry?
- How do you see the jobs in this industry changing over the next 10 years?
- What have you heard about \_\_\_\_\_ company?
- Are there any other types of industries that you think I should explore?
- Can you think of anyone else I might talk with to get more information about \_\_\_\_\_ (and can you introduce me)?

The best networkers **give back in return.** Ask how you can help, specifically, and tailor your offer to their situation. Are they also in transition or seeking a change in their career, relocation, a board seat? Offer your help, and make a note to follow up on your offer. They will remember your support and be all the more willing to help you.

**Stay in regular contact** with the people in your expanding network. Use a contact management system to keep track of your network and follow-up tasks. Set reminders, and reach out to those in your network every few weeks. You'll be surprised by how quickly your network grows, and as with anything, the more you put into it, the more you'll get out of it.



## Management and Board Governance: A Look Ahead

By Robert L. Pearson, CEO and founder, Pearson Partners International, Inc.

The University of Texas at Dallas School of Management's Institute for Excellence in Corporate Governance (IECG) has formed an alliance with Pearson Partners International,

Inc. to identify and evaluate trends in business and governance. Information produced by this alliance will be disseminated to corporate directors and executives.

The alliance kicked off with a meeting last October between three School of Management professors, Drs. Mark Anderson, Constantine Konstans and Suresh Radhakrishnan, and prominent business leaders who are members of Pearson Partners' advisory board. Participants were asked to consider how the roles of CEOs and board members would change in the next three to five years given the business outlook and major risks facing their companies. Discussion evolved around risks and opportunities posed by information technology and funding constraints.

Among its findings, the group concluded that boards of directors of many major companies are woefully uninformed about information technology and the effect technology can have on risk management in such areas as data security, the group concluded. Participants agreed that the Internet and social networks are having and will continue to have a major effect on how businesses market their products. Regardless of segment, most businesses are being deeply impacted by electronic commerce. Updates on and awareness of technology-related issues should be a part of every board's continuing education program, they said.

The group also discussed how a major risk facing boards today is the unpredictability of the availability of cash. It is unlikely, they agreed, that the majority of board members have a full appreciation of the risk behind the large number of loans over the last several years that have payment-in-kind (PIK) terms. A PIK loan is typically structured to accrue a high compound-interest rate. In addition, PIK loans

(Management, continued on page 5)

# Executive Job Search Techniques in a Recovering Economy

An interview with Bob Pearson, CEO, Pearson Partners International, Inc.

## What's different about executive search in a recovering economy?

In a recovering economy, CEOs are generally looking to hire people who can directly affect the bottom line—i.e. operations, finance, procurement. Typically in a robust economy, the focus is on longer range things like marketing and sales, boards of directors, planning and strategy people—positions that don't necessarily affect the bottom line today but are critical long term.

Also, it is much more difficult to get candidates to accept a new position. The old rule of thumb used to be that you had to offer somebody 20% more than they're making now before they listen. I think it's more like 30% or even 35% lately. Searches are taking longer and candidates are more difficult to find.

Contrary to popular belief, the glut of candidates on the job market does not help retained executive recruiters. There are all kinds of candidates, but they are people who are out of a job, and that's generally not who we're recruiting. Employers are more receptive than ever to looking at people who are not employed. But generally speaking, the candidates that they prefer are people that are successfully employed and are happy in their jobs, and those people are not as easy to entice away as they might have been in other economic circumstances.

Exacerbating the problem, there is a real shortage of executive talent in the marketplace to begin with. The baby-boomer generation has matured. They're closing in on retirement, and in particular, in some industries such as the oil and gas business, it's virtually impossible to find senior executives that fill the bill. So we really have quite a challenge finding qualified candidates.

## What are some ways that a candidate can stand out in this marketplace?

**Maintain a high profile.** I think the single best way to maintain a high profile with retained executive search professionals is to be a good source on searches. And the first place we go on a search is to our database. If you are in an executive position, chances are a recruiter will call you at some point, more often than not to get to someone else that you might know. If you say you are not interested and hang up, you are off that recruiter's radar. Be helpful. Try to refer that recruiter to a few colleagues, even those who might in turn be potential sources. The recruiter will undoubtedly put you in his or her system and thus be able to call on you again if a position comes up that matches your background.

**Be helpful to recruiters.** Another way to maintain a high profile is pretty clear, but if you refer to any recruiter a lead or a search that you heard about, that is a great way to get the recruiter's attention.

**Give back to the community.** Part of your career plan needs to be giving back something to the community. We often meet people at civic and charity events who become candidates. Giving back to the community is one of the best things you can do to get the attention of a search person.

**Be honest in your resume and in your interviews.** It's just foolish to stretch the truth—for example your experience, your accomplishments, where you live, where you went to school, the year you graduated, etc. We verify all degrees and even athletic accomplishments through not only exhaustive references, but calling the departments and research via the Internet. If you have a problem you feel might surface in these verifications and background checks, there are a lot of ways to handle it effectively with the interviewer or recruiter. Lying is not one of them.

**Have realistic expectations.** You may have been a CEO before, making a certain amount of money, but right now if you don't have a job and aren't making any money, you need to be realistic. Don't take a big step backwards in your career trajectory, but you may have to reset your expectations a bit and be open to some other alternatives.

**Be selective with your resume.** In the retained executive search business, our searches are so specific that the odds of somebody randomly sending in a resume and it matching one of the searches we have are very, very slim. Some resume blasting services will recommend that they send out resumes to everybody under the sun. These mailings are just not productive. Instead, target a specific list of executive recruiters who work in your industry or functional role. You can find these people by looking in the Kennedy Directory of Executive Recruiters online. And then, rather than send your resume to every recruiter in the firm, send it to the head of research because that person does know everything that's going on, and will generally be more receptive to helping you.

**Finding a job is a full-time job.** Devote as much time to it each day as you would in a paying job. You have to go out and tell people that you're looking. It's difficult to own up publicly to the fact that you're in transition, but your network can be your most powerful tool. Odds are that someone in your network will get that call from a recruiter, and you want that person to be armed with your basic facts so they can recommend you.

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

# Kurt Twining, Buck Consultants Dallas Market Leader, on Healthcare Reform

On June 8, 2010 we hosted the bimonthly meeting of the DFW HR Roundtable, a Dallas-area group of senior corporate HR executives that meet in person and online to discuss challenges and opportunities in the human resources discipline. This month the group discussed healthcare reform legislation and its impact on companies and employees. Our guest speakers were Kurt Twining, Robyn Bayne and Rex Gale from Buck Consultants, a leading human resources consulting firm. Mr. Twining, Dallas market leader for Buck Consultants, has over 30 years of both corporate and consulting human resources experience in diverse industries including retail, consumer products, electronics, logistics, and defense avionics.

We asked Mr. Twining to share some of his observations about the recently passed healthcare reform legislation:

*On March 22, 2010, we all watched a historic moment when the health care vote passed the House 219–212. This is probably the most significant piece of domestic legislation in the last 45 years since Medicare was passed in 1965.*

*It is also one of the most controversial pieces of legislation in our lifetime. When you think about the vote results—219–212—that means it was a real swing of just 4 votes, and the outcome could have been very different. It is clear that some form of deal was cut with two groups: those holding out for anti-abortion changes and those who were concerned that funding mechanisms for some states were unfair.*

*While the first vote has been cast, this debate is not over by any stretch. In fact, in a recent Rasmussen's poll 56% of those polled want the bill repealed. I wonder what the vote would be if we were to ask employers?*



*In Michigan, where I am from, Bart Stupak was heralded by many as being very principled as the leader of the anti-abortion group. After he switched his vote he now has a hard time finding someone who will buy him a cup of coffee and in fact he won't run for re-election.*

*Clearly the 2010 elections will be somewhat of a referendum on health care. In 2011 we will see some of the health care reforms kick in and it will clearly be an issue in the 2012 presidential election, so stay tuned.*

*What we do know is that in 2011 there is a high probability that your health care costs are going up, and that there are lots of questions regarding the unintended or intended consequences we are now facing.*

The team from Buck Consultants answered our questions about market reform, individual responsibility, insurance exchanges, employer responsibility, financing, retiree issues, and health and wellness programs. For a summary of the presentation, and a high level review of the law, please see Buck Consultants' Health Care Reform whitepapers at [http://bit.ly/Buck\\_Healthcare](http://bit.ly/Buck_Healthcare).

The next DFW HR Roundtable meeting is July 20th, 2010 at 11:30am. To join us, email [info@dfwhr.org](mailto:info@dfwhr.org).

## Search Spotlight

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

- Chief Financial Officer, Ambit Energy
- Director, Software Engineering, Authentix
- Director, Analytical Laboratory, Authentix
- VP Purchasing, C.H. Guenther & Son
- Chief Financial Officer, First United Bank
- VP, Reimbursement Services, Medco Health Solutions
- VP, Strategic Support, Medco Health Solutions
- VP of Operations, Pivot3, Inc.
- Reservoir Engineer, TransAtlantic Petroleum Corp.
- Exploration Manager, TransAtlantic Petroleum Corp.
- HR Manager, TransAtlantic Petroleum Corp.
- VP Accounting, TransAtlantic Petroleum Corp.
- VP, National Clinical Systems, ValueOptions, Inc.

(Management, continued from page 3)

carry substantial refinancing risk, meaning that the cash flow of the borrower in the repayment period will usually not suffice to repay all monies owed if the company does not perform exceptionally well.

The professors and business leaders concurred that the economy still faces strong headwinds—with the possibility of more bank failures. Small business will be hit hardest by the loss of more failed banks, the group predicted, because they rely on banks for their lines of credit and for their SBA loans.

From an education perspective, there is a growing need for compliance officers, risk-management officers and ethics officers. The School of Management is ahead of the curve, participants said, because it offers courses in corporate governance, risk management, ethics, compliance and regulation.

For more information on IECG, visit <http://som.utdallas.edu/centers/iecg/>.

*Reprinted with permission from MANAGEMENT Magazine, Volume 13 No. 2 Spring 2010, The School of Management, UT Dallas.*

## Pearson Partners Profile:

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



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

My first job out of college was working in human resources for a hospitality company. I loved the job because I was put in charge of employee orientations and was able to meet everyone that came to work for the hotel. I also was in charge of the newsletter and company's annual picnic. It was a great job, but sadly, ended in a major downsizing, which gave me firsthand experience in career transition.

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

I am on the other side of the business, helping executives displaced from their companies and providing coaching for those working on their own professional development. I came to Pearson Partners International from the outplacement and human capital consulting industry, where I had worked in delivery and sales and, eventually, as the senior managing director of a regional office. Prior to that, I was a psychotherapist working with individuals and corporations.

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

My career has been devoted to helping people seeking to improve their performance and careers. My job allows me to coach a wide variety of senior-level executives and to celebrate their successes as they further their careers. I enjoy working one-on-one with people, and enjoy the creativity and energy of the Pearson Partners team. I am lucky to get to witness the personal transformation of so many of our candidates.

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

I am blessed that so many of the executives with whom I have worked continue to stay in touch and share their journeys. I am proudest when I hear about someone with whom I have worked getting promoted or recognized for their accomplishments.

### Describe your leadership style.

I believe the best leaders are the ones who appreciate the talent around them and work collaboratively to make the whole organization successful. I also believe that you should lead with integrity and optimism, so that others know that you are both focused on the future and doing the right thing.

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

Our clients are our partners, and it is our job to listen deeply and to understand their needs and aspirations, so that we can work together to make their goals and dreams come true.

### How have you seen Pearson Partners grow and change over your tenure?

When I started with Pearson, we only had six people on the team. It was a new firm, with a group of seasoned search executives trying to build a regional recruiting business during a tough time. We have grown to three times that size and have still managed

to continue providing the same hands-on service that earned us a reputation for high quality and personalized service. It is great to be in a growing firm that still has the flexibility to creatively respond to changes in the market.

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

Executive Career Consultants has been very busy with transitioning executives over the past year. While the job market has started to come back, it is still difficult for executives to find the right opportunities. The executive recruiters have really stepped up to help the people I work with make the best connections and contacts.

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

I frequently hear how much we have helped to make the job search easier, and that we were there to support them through thick and thin. Many of our career transition executives have come back to us for search assignments because they know that they can trust us to do a good job and know that we back what we say we will do. I think after a good experience with us, it is the highest compliment for our candidates to make referrals or come to us with their needs.

### What do you like to do outside of the office?

I stay busy with my daughter's soccer and other sports. I am also the board chair for Attitudes & Attire, a non-profit organization dedicated to helping disadvantaged women build their self-esteem and become self-sufficient. I also enjoy traveling with my family and have visited more than 35 countries, and I am excited about a trip we have planned to Egypt this summer.

### What motto do you live by?

Don't take yourself so seriously that you forget how to have fun. Too often, I hear people say that they feel burned out and no longer have a passion for their chosen career. I believe it is important to enjoy your career and to find meaning in the work you do.

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

I would work in non-profit, traveling around the world to help with relief efforts following disasters or crisis situations. I would use my counseling and coaching skills to help people recovering or rebuilding their lives.

## Announcements & News

### Pearson Partners Welcomes Tom Lamson, CPC

We are pleased to announce the addition of Tom Lamson, Certified Personnel Consultant, as a principal on the Pearson Partners International team. Tom brings with him more than 16 years of experience in recruiting senior-level executives, both nationally and internationally. He specializes in the design-and-build, facility and real estate arenas, with particular expertise in the architectural, interior design, property development and management, construction and engineering disciplines.



Tom comes to us from an executive recruiting firm in Dallas, where he built a successful design-and-build practice and earned a reputation as a leading personnel consultant and expert speaker. Earlier in his career, Tom owned a personnel consulting firm, working with clients in the industrial, engineering and manufacturing industries. Tom earned his bachelor's degree from The University of Texas at Arlington and served as an officer in the United States Navy Submarine Forces.

We're happy to welcome Tom to our team and know you'll enjoy working with him.

### Rex Kurzius Joins Pearson Partners Advisory Board

Pearson Partners International is pleased to announce the addition of Rex Kurzius to our advisory board. Rex is a mergers and acquisitions advisor and investor in LRK Partners, a holding company, headquartered in Frisco, Texas, that makes investments and operates several businesses, including Timberhorn Healthcare, Timberhorn IT Solutions, Timberhorn Accounting and Finance, Harvester Media, and a company specializing in medical tourism.

Since age 23, Rex has started and sold numerous companies, including Resulte Universal, Resulte Healthcare and Virtual Village. An active community leader, Rex was recognized by the *Dallas Business Journal* as one of the "Best and Brightest Business Leaders" in its annual 40 under 40 survey. He earned his bachelor's degree in business administration, with a minor in Latin American studies, at Southern Methodist University in Dallas.

We're glad Rex has become a valued contributor to our fine group of advisors, and welcome him aboard.

### Featured Open Position

We are conducting a search for the President and CEO of The American Royal Association. Located in Kansas City, this non-profit is a national stage for showcasing the region's agricultural heritage. It provides educational scholarships, awards and competitive learning experiences that reward hard work, leadership skills and agrarian values.

## 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.

#### Headquarters:

Pearson Partners International, Inc.  
8080 North Central Expressway, Suite 1200  
Dallas, Texas 75206  
P: 214.292.4130  
E: [Dallas@PearsonPartnersIntl.com](mailto:Dallas@PearsonPartnersIntl.com)  
W: [www.PearsonPartnersIntl.com](http://www.PearsonPartnersIntl.com)

#### Offices:

**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



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