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If you've noticed that this newsletter looks a bit different than the ones you've received in the past, there's good reason. With this issue, we're excited to introduce a new newsletter format.

We consider our clients part of our extended family, so we hope you enjoy reading about the trends in the retained search business, picking up some examples and tips you can use to help strengthen your team, and learning a little more about our people and what they do.



Each issue will feature search updates, but will also now include a people-development section to help you enhance the productivity and success of your leadership and teams. In this issue, you will learn more about the impact of employee retention as well as our assessment and coaching services that can save your company thousands of dollars by helping you retain top talent.

I'd also like to introduce you to a few new names and faces. At the end of 2007, our Denver office welcomed Kristine Nelson as vice president. In early 2008, Deborah Coogan Seltzer joined our Atlanta team as vice president. And in July 2008, our Dallas team welcomed Judy Stubbs. We're thrilled to welcome these new team members and are grateful to add their expertise and talents to our growing company.

Once you've given this new newsletter a read, we hope you'll take a moment to tell us what you think. Your feedback and suggestions mean the world to us.

Respectfully,

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

Robert Pearson



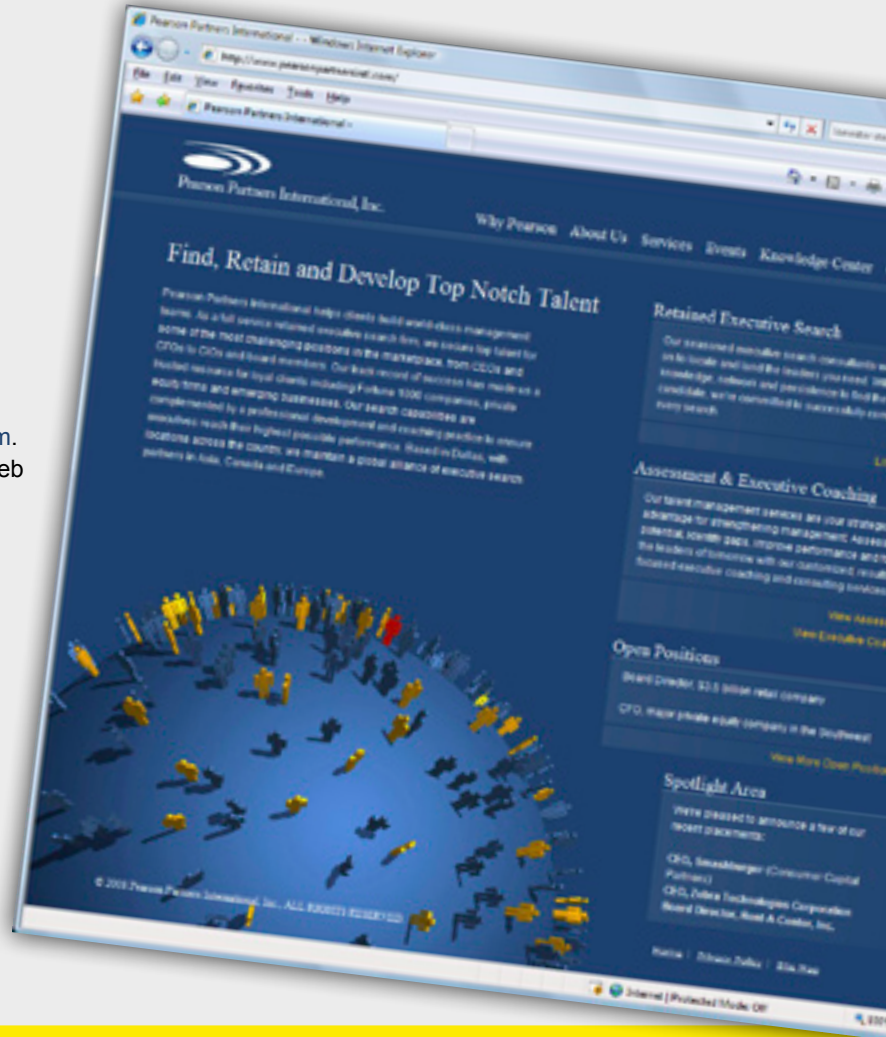
Pearson Partners International, Inc.



Visit Our New Web Site

As we've grown in personnel and offices over the past six years, we noticed that our Web site had not kept pace and failed to show our clients and candidates the depth of knowledge we provide. So, we set to work this summer on an update.

Please visit our new Web site at www.pearsonpartnersintl.com. We would appreciate your comments and feedback on the Web site, our content and any other Web site resources you would find of value.



Search Spotlight

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

- CEO, Smashburger (Consumer Capital Partners)
- CEO, Zebra Technologies Corporation
- Board Director, Rent-A-Center



Trends in Life Sciences

By Deborah Coogan Seltzer, Atlanta

The pharmaceuticals and life sciences industry has not been immune from the current economic downturn, and we've seen significant lay-offs in sales areas. But that doesn't mean that opportunities are lacking – it just means that they have shifted to new areas of focus.

In truth, recent lay-offs have much to do with changes in the healthcare environment and their impact on pharma and the traditional sales model. Instead of booming sales roles, we're seeing growth in different areas, including significant opportunities for liaison roles among various functions and constituencies, both internal and external.

In such roles, key professionals act almost as interpreters or translators, ensuring that

multiple viewpoints and realities are considered, understood and leveraged for optimum decision-making. Examples include senior executives in medical affairs, health technology assessment and outcomes, managed markets, and business intelligence and market analytics.

Pharmaceutical companies are experiencing increasing regulatory scrutiny at a time when the public has a less-than-glowing perception of the pharmaceutical industry. Thanks to these trends, we're also seeing an increase in demand for individuals in regulatory affairs, compliance and even ethics.

Keep an eye on the pharmaceutical and life sciences industry as it continues to evolve into a hot market for a new and different kind of expertise.

Hot Jobs in Pharmaceuticals and Life Sciences

- Medical affairs
- Health technology assessment and outcomes
- Managed markets
- Business intelligence and market analytics
- Regulatory affairs
- Compliance
- Ethics

Pearson Partners Welcomes Two Vice Presidents

We are pleased to introduce Judy Stubbs, a vice president in our Dallas office and Deborah Coogan Seltzer, a vice president in our Atlanta office, as our newest teammates.

Judy Stubbs has earned a reputation for completing some of the most senior-level, demanding job searches at Fortune 500 companies, and for filling senior management positions for large multinational clients. With more than 25 years retained search experience, Judy excels at human resources, chief executive officer, chief financial officer and sales searches. She specializes in the consumer products and technology sectors.

Judy comes to us from Heidrick and Struggles in Dallas, where she was a senior partner. Earlier in her career, she was the managing partner of Highland Partners' Dallas office and a member of the Consumer Products and Technology practice groups. She has also served as a vice president with A.T. Kearney Executive Search and as the senior human resources executive for a Fortune 500 New York Stock Exchange Company.

She holds a bachelor's degree with honors from Texas Technological University and has completed the Change Management Program at Harvard Business School Studies.



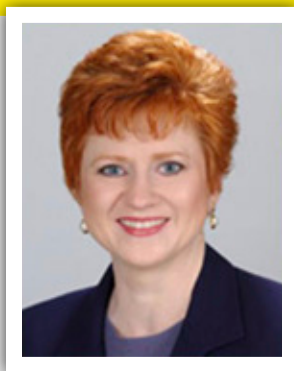
Deborah Coogan Seltzer

Judy Stubbs

Deborah Coogan Seltzer brings more than 18 years experience in retained executive search with a specialty in the healthcare, pharmaceutical, biotech and medical products sectors. Beyond executive and general management roles throughout companies, she also recruits for technical executives in research and development, clinical and pre-clinical development, technical operations and manufacturing, scientific affairs, and regulatory and quality assurance.

She came to Pearson Partners from her previous role as a managing director with Boyden Global Executive Search. Previously, she held senior level positions with A.T. Kearney Executive Search and Ray & Berndtson.

Deborah graduated with high honors from Douglass College/Rutgers University with a bachelor's degree in political science and Spanish and received a master's degree in economics with honors from Trinity College, University of Dublin, as a Rotary Foundation Scholar.



Retention: The Key to Growth

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

Growing companies face plenty of challenges, but perhaps their greatest test today comes from recruiting talented employees and retaining them once they're on board.

Each time an employee has to be replaced, a company spends thousands of dollars in direct costs – such as hiring and training – as well as indirect expenses due to lost business and productivity.

Good news ... and bad news

The pool of qualified talent is continually shrinking, due to the aging of baby boomers, an ever-decreasing birth rate and the increasing demands of top-level jobs. That's one reason why many companies are putting more and more emphasis on keeping their most experienced, skilled employees – and that's the good news.

The bad news is that companies may actually be out of touch with what their workers really want. Take a look at these statistics from a 2007 "emerging workforce" study by Spherion Corp.:

- Only 13 percent of employers are doing more to retain workers, while 29 percent are actually doing less, according to employees.

- Growth and earnings potential is an extremely/very important retention factor to 68 percent of workers, but only 24 percent of workers are satisfied with their current growth and earnings potential.
- Compensation is the second most important retention factor for workers (75 percent say it is extremely or very important), but only 26 percent are satisfied with their current level of compensation, and 60 percent of workers don't believe they are paid what they are worth.
- Time and flexibility are extremely/very important to 65 percent of all workers, but only 37 percent say they are satisfied with their time and flexibility.
- Three in 10 (31 percent) of workers plan to look for a new job in the next year.
- Thirty-seven percent of workers say they don't have the training needed to meet their career goals.

Employee retention as part of corporate strategy

To attract top talent, it's very important for an organization to adapt not only to changes in the workforce, but to changing values. To remain competitive, companies must factor employee retention into their corporate strategies and goals, making a good retention strategy part of the fabric of the business.

After the flood of downsizings early in this decade, as well as recent negative news about America's employment market, workers have grown wary of their companies' potential response to market fluctuations. Workers have learned to take responsibility for their own careers and no longer count on their employer for job security or development. This attitude has resulted in an average tenure of two to five years in a position, as opposed to the five- to 10-year average of the past.

(Retention, continued on page 4)

(Retention, continued from page 3)

Many companies are using executive coaching to develop leadership skills, retain key employees and ensure that executives deliver high-impact results. Executive coaching is a targeted and focused process to develop talent and reduce turnover rates caused by a perceived lack of leadership.

In a recent Pearson Partners International study on coaching trends, companies cited the two most common reasons they used executive coaching: performance improvement and retention of high-potential performers.

For more information about executive coaching and retention strategies, contact me at lhompson@pearsonpartnersintl.com.

Three things to remember:

- Strive to understand what employees want, and to adapt not only to changes in the workforce, but to changing values.
- Factor employee retention into corporate strategies and goals.
- Executive coaching can help develop leadership skills, retain key employees and ensure that executives deliver high-impact results.

Case Study: Rent-A-Center

New Board Members' Diverse Expertise Helps Guide Growing Retailer

As a board of directors plays a crucial role in guiding a company, its members must be chosen with utmost care. A diverse board helps ensure that those members steering the company offer a broad range of insights based on distinct skills and experience. Rent-A-Center's Chairman and Chief Executive Officer Mark Speese understood the importance of finding the right additions to his company's board and entrusted the search to Pearson Partners International.

Based in Plano, Texas, Rent-A-Center (RAC) is a Fortune 750 company that owns and operates more than 3,000 stores in 50 states, Washington, D.C., Canada and Puerto Rico. The stores offer electronics, appliances, computers, furniture and accessories on a rent-to-own basis. The publicly traded company (NASDAQ/NGS: RCI) is the nation's largest rent-to-own operator and employs more than 18,990 people.

As existing RAC board members' agreed-upon terms expired or career responsibilities called them away from the board, Speese sought to capitalize on the openings to add specific skills and experience to the group.

"In one case, I wanted strong retail operational expertise," Speese explains. "In another case, I was interested in marketing and advertising expertise. In a third instance, I was looking for financial expertise."

To find the right people for RAC's board, Speese selected Pearson Partners International after several trusted colleagues recommended the firm.

"I felt comfortable with Pearson Partners' Chief Executive Officer Bob Pearson and his past experience in the field as well as the contacts and relationships the firm has here in Dallas," Speese says.

In each case, Speese says, the Pearson Partners team listened carefully to his description of the skills and experience he was looking for and then created thorough, accurate company and job descriptions to provide to the candidates. Speese also notes that Pearson Partners has saved him time by carefully screening candidates before they're presented.

"Pearson Partners does a good job educating these candidates about the opportunity and filtering the candidates so that only those with the

right skills, fit and interest make it to me," he says.

To date, Pearson Partners has found the ideal candidates for three open board positions, helping RAC build a well-rounded board with the expertise to guide the company into a strong future. In May 2008, Kerney Laday, president of The Laday Company, a management consulting and business development firm, joined the board. His experience in management and operations is just what Speese was looking for to lend additional insight and perspective to the company.

Michael Gade, founding partner of Challance Group, L.L.P., and an Executive in Residence and professor of marketing and retailing at the University of North Texas, joined the board in May 2005. Gade has thirty years of marketing and management experience, most recently serving as a senior executive for the southwest region of Home Depot, Inc. His 30 years of leadership, much of it in the retail sector, provide additional depth for the board.

Leonard Roberts, former executive chairman of the board of RadioShack Corp., became a RAC director in September 2006. Roberts had previously served as RadioShack's chairman of the board and chief executive officer and as its president. Formerly, Roberts was chairman and CEO of Shoney's, Inc. and president and CEO of Arby's, Inc. The unique retail marketing perspective he brings to the board has helped guide RAC in executing its strategic plan and growing its business.

Speese says he's been pleased with quality of candidates presented by Pearson Partners and that those chosen have worked out well for the company.

"I have had this relationship with Pearson Partners for seven years and continue to utilize them," Speese said. "They have high integrity. They do a good job of sourcing high quality candidates that match the needs I have. And, they have been timely in terms of their ability to get it done."



Pearson Partners' Profile

Keith Pearson, President and Vice Chairman

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

One of the best days for me was our first day in our new offices. It was our first original lease, and we were able to design the office to suit our needs. It was a simple thing, but what it represented to us was significant: the fact that we'd been able to grow from a three-person operation into a thriving business surrounded by great people.

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

Our company's vision is to become a great company by making our client companies great. Our industry can breed large egos. We often remind our team that we are simply serving our client. We are recruiters. We are usually the last and most expensive alternative for our clients. By the time we get a project, it is often in crisis mode. Our clients don't pay us to be creative; they pay us to find exactly what they are looking for. We simply will not walk away from a search. We have virtually a 100 percent fill rate.

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

We started this business in March of 2001, which was one of the toughest times for business services firms. We have been blessed with rapid growth. To watch the business transform from something a few people started into a sustainable corporation creating value for our younger employees has been very rewarding.

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

We follow five client service guidelines: We do what we say we will do, and we do it right the first time. We keep clients informed, and ask that they do the same. And we stay with every client throughout the entire process.

What do you like to do away from the office?

My family – my wife Stephanie and our two great kids, Sophie and Jonas, and I enjoy getting away from the bustle of the city. We travel to West Texas and Colorado and love everything the outdoors has to offer. I also enjoy running and hope to get back into cycling soon.

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

My next career will be something outside. I have always been fascinated with anthropology, archaeology and paleontology. I am a fresh-water fish hobbyist, but I can't seem to find a way to make a living with them.



Announcements, News and Events

- ❑ We are pleased to announce promotion of Sandy Boyce to principal in our Dallas office.
- ❑ We are pleased to announce promotion of Robyne Petersen to Director of Research.
- ❑ Deb Seltzer presented on how to “**Give Your Career an EDGE**” for the Healthcare Businesswomen's Association in Atlanta on June 3, 2008.
- ❑ Stephen Konstans served as a panelist on “**Positioning Women for Corporate Boards**” at a conference organized by the Institute for Excellence in Corporate Governance and the University of Texas at Dallas on April 30, 2008.
- ❑ Bill Rowe authored a chapter titled, “**A Force of Integrity within the Corporate World,**” in the recent book, *Best Practices for Executive Search Firms: Leading Executives on Developing Benchmarks, Evaluating Potential Candidates, and Helping Clients Succeed* (Aspatore Books, 2007).
- ❑ Pearson Partners International has been named by the *Dallas Business Journal* as the 6th largest Metroplex executive search firm; the rankings were announced in September 2008.

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.

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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