

Southern California

Perspectives

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Special Point of Interest

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Corporate Governance: A Human Capital Perspective

Effective corporate governance is now critical to the long-run success of any public company. Pre-Enron, the efforts aimed at improving corporate governance were not given the level of importance they now have in the post-Enron corporate environment. Of course, effective corporate governance requires effective governance practices. And with the heightened focus on governance, either changes in governance practices are being mandated by law (e.g., Sarbanes-Oxley), or influential constituencies are taking strong positions on the types of governance practices public companies should follow (e.g.,

NYSE). Time will tell whether these “mandated” practices have a real impact on improving the overall effectiveness of corporate governance in the U.S., or whether they simply represent an overreaction to the recent governance debacles.

In the meantime, companies have to grapple with attracting and retaining high quality directors. In order for companies to contend with this human capital side of the current governance turmoil, they need to clearly identify and build an attractive director value proposition that they can offer current and prospective directors. Fortu-

nately, much of what underlies an attractive director value proposition is an effective, well functioning board, and corporate leadership that take a proactive and transparent approach to corporate governance.



Recap From the Wharton/Spencer Stuart Directors' Institute Held in April

Spencer Stuart was proud to co-host with the Wharton Business School this premier corporate governance program for a second time here in Southern California. The Corporate Di-

rectors Forum in San Diego and the Forum for Corporate Directors in Orange County also sponsored the event. More than 35 participants engaged in lively case discussions at

the La Costa Resort in Carlsbad. Led by Robert Mittelstaedt, Vice Dean at the Wharton School, the group tackled cases on topics including executive compensation, board self

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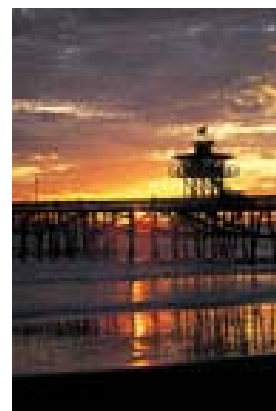
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Recap From the Wharton/Spencer Stuart Directors' Institute Held in April

assessment and fixing dysfunctional boards. Real life issues and case studies raised by the participants expanded the learning for all. The program received rave reviews and Spencer Stuart plans to co-host another similar event in the near future.

Recent High Impact Placements in Southern California

- We were proud to assist xxx, one of the nation's leading xxx treatment and research centers, in recruiting its CEO, xxx, former xxx Acting Commissioner and xxx Senior Vice President.
- We helped xxx, as it implements its new strategy of becoming the consumer branded integrator of choice, by placing xxx, formerly a Senior Vice President at xxx.
- xxx worked with Spencer Stuart to recruit a new CTO and a new Board Director.
- xxx relied on Spencer Stuart to add two new members to its Irvine-based management team: xxx, Senior Vice President of Sales, formerly with xxx, xxx, Vice President of Operations, formerly with xxx, and xxx, Chief Financial Officer, formerly with xxx.
- xxx, an xxx-based venture capital backed company, worked with Spencer Stuart to recruit xxx, former SVP Sales of xxx and VP North America Sales for xxx as its new Vice President of Sales.



Overview: The 5 Patterns of Extraordinary Careers

The 5 Patterns of Extraordinary Careers reveals the subtle yet powerful factors that determine career success: why some people ascend to the top and prosper, while others equally talented never reach their expectations. The idea that there are patterns in extraordinary careers is not the conventional wisdom. Many believe that success is the result of either luck or larceny. It turns out that extraordinary careers follow a strikingly consistent trajectory, marked by five distinct patterns that distinguish the very top from the rest of the pack. So what are the five patterns of extraordinary careers? They are as follows:

1. Understand the Value of You

People with extraordinary careers **understand how value is created in the workplace**, and translate that knowledge into action, building their personal value over each phase of their careers.

2. Practice Benevolent Leadership

People with extraordinary careers **do not claw their way to the top, they are carried there.**

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[3. Overcome the Permission Paradox](#)

People with extraordinary careers **overcome one of the great Catch-22s of business**: you can't get the job without experience and you can't get the experience without the job.

[4. Differentiate Using the 20/80 Principle of Performance](#)

People with extraordinary careers **do their defined jobs exceptionally well but don't stop there**. They storm past pre-determined objectives to create breakthrough ideas and deliver unexpected impact.

[5. Find the Right Fit \(Strengths, Passions & People\)](#)

People with extraordinary careers **make decisions with the long-term in mind**. They willfully migrate towards positions that fit their natural strengths and passions and where they can work with people they like and respect.

Understanding the five patterns of extraordinary careers and tailoring them to you - your personality, aspirations, personal situation, and strengths and weaknesses - is well worth it and will help you accomplish the ultimate payoff -- career success and satisfaction under your control and beyond your grandest expectations.

This extract is taken from The 5 Patterns of Extraordinary Careers: The Guide To Achieving Success and Satisfaction, by James M. Citrin and Richard A. Smith (both with Spencer Stuart), published by Random House/Crown.

About Spencer Stuart

Spencer Stuart is the foremost privately held, global executive search firm, spanning over 50 offices in 25 countries. Since 1956, we have been providing select clients with a range of human capital solutions, including senior-level executive search, board director appointments, strategic leadership services and middle-management recruiting. We conduct nearly 4,000 assignments each year, partnering effectively with clients ranging from the Fortune 500, to mid-cap, to emerging growth companies across a broad range of industries and sectors.

Perspectives Editor

BRUCE J. LACHENAUER **Orange County Office**



Bruce is a consultant in Spencer Stuart's Orange County office and a member of the firm's Technology, Communications & Media Practice. He joined the firm after 20 years of domestic and international experience in industry and executive search consulting. Bruce specializes in recruiting senior-level executives and board members to technology companies.

Prior to joining Spencer Stuart, Bruce was a senior partner with another leading international executive search firm in Southern California. During his eight-year tenure in executive search, Bruce has recruited chief executive officers and other senior executives for a wide variety of technology companies, ranging from early-stage venture capital-backed companies to large established industry leaders in the software, communications, hardware, medical products and semiconductor sectors.

Before his career in executive search, Bruce led a sales organization for an early-stage wireless communications company, which grew to \$70 million in revenue. Prior to his startup experience, Bruce acquired and ran a company in the Southeast. He began his career as a sales executive with IBM.

Bruce graduated from Northwestern University with a B.A. in economics and earned his M.B.A. from Harvard Business School. He is fluent in Spanish.

Spencer Stuart

Orange County Office
2020 Main Street, Suite 350
Irvine, California 92614
United States

Phone: 949.930.8000
Fax: 949.930.8001

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www.spencerstuart.com

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For more information, please call Bruce Lachenauer at (949) 930-8040
or email blachenauer@spencerstuart.com