

# Directors to watch

*‘Great boards have diversity’ — splendidly exemplified by this class of accomplished executives.* **EDITED BY SCOTT CHASE**

**T**HE INCLUSION OF “independent, diverse” directors has become an imperative in the boardroom. Some analysts see slow but steady progress reflected in growing numbers of qualified women and minority candidates reaching a stage in their careers that could lead to board service. Others are less convinced. A recent survey of Chicago’s top 50 companies, for example, showed a year-over-year decline in total board participation by women.

Insufficient data on how many black, Hispanic, and other minority business leaders have achieved the title of public company director makes deciphering progress even more difficult. Are boards today more diverse than ever before? Yes, without a doubt. Does this diversity of race and gender — and experience — mirror the “professional” population mix? Not even close.

On the plus side of the ledger, high-profile ascensions such as that in early May by the new chairman and chief executive officer of PepsiCo, Indra K. Nooyi, place a spotlight on just what is possible in the world of Fortune 100 board mobility.

And where the Fortune 100 goes, the rest of business cannot be far behind.

“Directors to Watch” was launched last year in the 30th anniversary edition of *Directors & Boards*. That first “class” of directors and board members precipitated an outpouring of candidates who deserve additional recognition, not only for arriving as a director, but also for ongoing contributions to the dialogue that informs management best practices, ethical procedures, and successful business outcomes. Our goal is to highlight on occasion directors and boards that will guide the debate that defines exemplary corporate governance.

Helping make this possible is the convergence of two exciting developments — sponsorship support of “Directors to Watch,” and recommendations from *Directors & Boards’* readers and advisers. Our sponsors to date include Heidrick & Struggles, Foley & Lardner LLP, Seyfarth Shaw LLP, Crowe Chizek & Company, and Boardroom Bound. We deeply appreciate their commitment to our effort. We look forward to your nominations for future classes of “Directors to Watch.”

## Adela Cepeda

*President, A.C. Advisory Inc.*

**A**DELA CEPEDA has been a finance specialist since 1980, structuring and executing transactions in the capital markets for corporations and municipalities. She worked for more than 10 years for a major Wall Street firm as a corporate finance executive handling public and private debt and equity transactions.

As president of A.C. Advisory, she has led the company to a national leadership position in municipal financial advisory services with more than \$30 billion in completed transactions. Cepeda’s clients include the City of New York, Cook County (Illinois), O’Hare Airport, and the state of Connecticut. In 2005, she founded a full-service broker dealer, Alta Capital Group LLC, focused on municipal markets.

Cepeda is a board member of the UBS Funds, the Mercer Funds, and Amalgamated Bank of Chicago. She previ-



ously chaired the audit committee of the board of hotel and resort operator Wyndham International Inc. She has extensive community involvement, serving on the boards of Window to the World Communications Inc. (a local PBS affiliate), Ravinia Festival Association, and Chicago Community Trust.

**On Diversity in the Boardroom:** “Directors today have great responsibility and must be more accountable than ever before. The assumption is that the buck stops at the boardroom, even though our role is logically one of oversight and setting the strategic parameters for the company. It becomes imperative that a board act after considering a diversity of perspectives. Today, most companies must operate in an environment reflective not only of gender and ethnic diversity but in a global setting with populations that are dramatically different. We must reflect sufficient diversity in the boardroom to be able to access these diverse cultures and be successful in foreign terrains. If not now, when?”

## Lisa Wilhelm Haag

Vice President, Investments, Trustmark insurance co.

**L**ISA WILHELM HAAG, CFA, is the senior portfolio manager responsible for the structured investments component of \$1.7 billion in portfolio assets, including asset-backed securities, mortgage-backed securities, commercial mortgage-backed securities, and REITs. She also serves on the Trustmark Pension Committee, overseeing investment and policy decisions related to the 401(k) plan and defined benefit retirement plan.

Prior to joining Trustmark Insurance in 2001, Haag was a managing director at Banc One Capital Markets Inc., currently known as J.P. Morgan Securities, where she held positions in asset-backed finance and as director of fixed income research. She also served as a senior vice president and fixed income portfolio manager at Stein Roe & Farnham from 1987 through 1995.



In 2005, Haag was elected to the board of trustees of the Merrill Lynch Insurance Group Variable Insurance Trust, which oversees 25 mutual funds supporting variable annuity contracts. The

next year she was named head of the audit committee.

She has been a board member of the YWCA of Metropolitan Chicago since 2000 and has been treasurer and chair of the finance committee since 2003.

**On the Role of Independent Trustees:** “Independent trustees on mutual fund boards play an important role in representing the interests of shareholders. Thoughtful trustees can balance the interests of fund management and fund shareholders, creating opportunities and rewards for both parties. I believe it takes a board consisting of members with diverse and complementary skills to fully address the challenges in today’s highly regulated landscape.”

## Paula H.J. Cholmondeley

Director

**P**AULA CHOLMONDELEY is a director of Terex Corp., Dentsply International, Albany International, Minerals Technologies Inc. and Ultralife Batteries. She is also a member of the graduate school board of trustees for the Wharton School of the University of Pennsylvania.

With her varied corporate background, mainly with industrial products companies, she brings financial and strategic



planning expertise to the boardroom. Until January 2004, she was vice president of specialty products for Sappi Fine Paper NA. She started out as an auditor at Arthur Andersen and was a practicing CPA who progressed to two CFO positions. She then moved into strategic planning posts at Westinghouse Elevator and Owens Corning. She held a number of general manager positions of major divisions of Owens Corning, Faxon Corp., and Sappi, where her largest market was China.

She has been recognized by numerous organizations, including Howard University and the Wharton School.

**On Being Responsive to Shareholders:** “As directors, we are charged with oversight of the long-term growth of the company. However, there are increasingly different time horizons of today’s investors. The average holding period for stocks in many companies has dropped from 5-7 years to 18-30 months. Within this average are the long-term institutional investors, hedge funds with their shorter time horizons, or even momentum buyers. All are shareholders but with very different time horizons for measuring performance.

“We have to balance not only these expectations but also those of other constituents — customers, employees, and communities. In the future this will create increasing pressure for lead directors to have opportunities to first listen to these groups and then work with their fellow directors and management to balance conflicting demands. This has to be

done within federal disclosure guidelines and while supporting the CEO as the one voice of the company.

“I think in the future you will see more active involvement of lead directors in investor meetings where they get an opportunity to listen to shareholders directly rather than through the filter of the CEO.”

## Cynthia R. Cohen

*Founder and President, Strategic Mindshare Foundation*

**C**YNTHIA R. COHEN is a prominent retail strategist. Considered one of the nation’s leading authorities on consumer trends and strategic marketing, her areas of expertise include market positioning, branding, e-commerce, and business strategy. She is also known for her groundbreaking research on the buying habits of ethnic consumers, baby boomer women, Generation Y, and tweens (the consumer group Cohen named the “Speeders”).

Cohen’s clients range from global Fortune 500 companies to fast-track start-ups and include retailers, consumer product manufacturers, real estate firms, media companies, and technology vendors. She is a widely sought-after speaker and authority on consumer trends who combines consumer insights and prognostications with realistic market penetration strategies.

Cohen is a board member of bebe stores, a women’s apparel retailer; Hot Topic, a teen specialty retailer; Equity One, a shopping center REIT; Steiner Leisure, a global spa operator; and several private consumer product and technology companies. She is a qualified financial expert for audit committees and has experience as chairman of audit, compensation, and governance committees.



Her community involvement includes membership on the executive advisory board for the Center for Retailing Education and Research at the University of Florida and the advisory board for the Terry J. Lundgren Center for Education and Research at the University of Arizona. Continuing her long-time passion for mentoring female

business students, Cohen established and chairs the Strategic Mindshare Foundation, which provides scholarships and mentoring to young women in business school.

**On Diversity as Good Governance:** “The best company management starts with hiring the best talent. It is the same in the

boardroom. Good governance starts with great board talent. The best boards have highly skilled professionals who work as a cohesive team. It is not about the ‘star’ names some boards recruit, but rather about talented individuals who are experts in their functional fields and have a passion for board service. Great boards have diversity. This means diverse ages, functional skills, ethnicity, experiences, race, geography, gender, and opinions. Diversity is a direct contributor to good governance and increasing shareholder value.”

## Martha Clark Goss

*Chief Operating and Financial Officer  
Amwell Holdings LLC*

**M**ARTHA CLARK GOSS is a professional director and serves on the boards of NYSE-listed Claire’s Stores Inc. and Ocwen Financial Corp. In addition, she is a director of several privately held companies, including American Water, Bank Leumi USA, Allianz Life of New York, and Channel Reinsurance, where she also serves as the nonexecutive chair of the board. She also serves on the advisory boards of Attensity and The McLean Group. She previously served as



a director of Foster Wheeler Corp., Dexter Corp., and IJB Whitehall Business Credit Corp., and was a member of the metropolitan advisory board of Chase Manhattan Bank.

Goss was chief financial officer of Booz-Allen & Hamilton and The Capital Markets Company and was a senior vice president of Prudential Insurance Company of America, where she also served as president of Prudential Asset Management Co., president of Prudential Power Funding Associates, and treasurer of The Prudential. She began her career at Chase Manhattan

Bank as a credit analyst and lending officer.

She is president of the Financial Women’s Association of New York, for which she has been a board member for a number of years, and is a trustee emerita and former treasurer of Brown University. She is a member of the National Advisory Panel for the Clayman Institute of Stanford University, the Committee of 200, and TIGER 21, and a former board member and chair of the Independent College Fund of New Jersey, and a former trustee of Stuart Country Day of the Sacred Heart.

**On Proper Balance and “Crossing the Line”:** “Responsibilities of directors for public companies have changed significantly

over the past 15 years, and especially over the past five years. The role of the board has evolved from one of primarily an observer to one requiring substantially more accountability and more visibility on the part of the directors. One of the interesting challenges is navigating the line between board and management responsibilities, especially during times of crisis. Increasingly, directors need to be more proactive and more deeply involved in understanding the day-to-day operations as well as the strategic options their companies face, but they must balance this against crossing the line into management. Although it has always been important for directors and management to work well together as a team, it has become even more important for directors, especially independent directors, to develop their relationships with each other so that when difficulties arise, they can speak openly and frankly with each other and face the issues head on.”

**Neeti Dewan**

*Director of Tax, Aramark Corp.*

**N**EETI DEWAN, CPA, CMI, is the director of tax in the Los Angeles area for Aramark, a provider of food, hospitality, and facility management services. She is a director of Sycamore Software Solutions and the Tax Executives Institute and serves on the alumni advisory board of the Los Angeles headquarters of PricewaterhouseCoopers.

She is a founding member of the Donor’s Circle of the Women’s Foundation of California, co-chair of the Boardroom Bound Los Angeles launch, and an advisory board member for GivingYouAVoice.com, an Internet magazine where she writes a monthly column on global business and lifestyles. An expert on work-life balance, she is the author of *From Executive to Yogi in Sixty Seconds*, in which she shows how one can achieve unparalleled professional and personal excellence.



Dewan has received the Small Business Administration’s Los Angeles Accountant Advocate of the Year Award. She has served on the board of National Association of Women Business Owners, Los Angeles, as its CFO, and is an active member of the Los Angeles Press Club.

**On “Healthy Skepticism”:** “As corporate directors, it is our duty to focus on ethics and accountability within our organizations. CEOs are empowered to lead an organization and often set the agenda for the corporate boards. Although directors must work collaboratively with the CEO and company

management, we must continue to practice healthy skepticism and independence of views. We must be willing to have frank and constructive discussions about business ethics, strategies, and organizational behavior.”

**JoAnn Lilek**

*Chief Financial Officer, DSC Logistics*

**J**OANN LILEK is the leader of DSC’s financial and IT teams, co-leads the customer leadership team, and is a strategic partner with operations in achieving customer business goals. She is responsible for implementing state-of-the-art pricing methodologies and financial standards.

Lilek began a career in banking as a management associate with LaSalle National Bank in Chicago, remaining with the organization as it grew and became part of ABN AMRO Bank NV. As North American corporate controller of the newly merged ABN and AMRO banks, she led the consolidation of financial systems, processes, and organization of the U.S. banks and their branches. She played a key role in the formation of the North American Wholesale Bank and was part of the leadership team overseeing acquisitions and consolidation.

Lilek is chair of the board of trustees of the Lou Holland



**Nominate a ‘Director to Watch’**

“Directors to Watch” is made possible in part by sponsors of Boardroom Bound, a national organization that stands for better governance and diversity in the 21st century boardroom. Its mission is to help companies find independent, diverse candidates who are prequalified for corporate board service. Additional supporters for this feature include the global board and senior executive search firm Heidrick & Struggles, law firms Seyfarth Shaw LLP and Foley & Lardner LLP, and Crowe Chizek and Company LLC, one of the top 10 public accounting and consulting firms in the United States.

If you would like to support “Directors to Watch” or nominate a “Director to Watch” for inclusion in future issues of *DIRECTORS & BOARDS*, please send your candidate’s name, current primary corporate and board positions, contact details for your choice, and a sentence or two on why you believe this person is a “Director to Watch” to Scott Chase via e-mail at [scottchase@verizon.net](mailto:scottchase@verizon.net).

Trust for Holland Capital Management LP and serves on the board of the Illinois CPA Society as a professional affiliate director. She is a member of the Chicago Finance Exchange, the United Way of Chicago Women's Leadership Council, Financial Executives International, the University of Chicago Women's Business Group and the Executives' Club of Chicago. She is president of the board of directors of the YWCA Metropolitan Chicago.

**On Being a Mutual Fund Director:** "Mutual fund directors play a unique role compared to directors of other corporations. We give fund investors confidence there is oversight on the investment advisers and other service providers who manage their money. Mutual funds generally have no employees of their own. All the services to the fund are provided contractually through outside service providers. The board must diligently review and approve the arrangements with these providers each year and then monitor the service providers' performance. This unique governance structure exists because, inherently, the interests of the shareholders of the fund and the interests of the service providers might conflict. A big challenge for mutual fund directors is to maintain sufficient knowledge of this very specialized industry in order to make truly independent decisions."

### Beth Stewart

*Partner, Trewstar LLC*

**B**ETH STEWART is a director of General Growth Properties, Carmax, and Avatar Holdings, and served previously as a director of Imperial Parking. She is an active investor in public and private real estate ventures. In 1990 she

invested in an Internet real estate start-up, Storetrax.com, and became its chairman and CEO, a role she still holds.

Stewart started her career at Goldman Sachs in 1978 as one of its first analysts in the investment banking division. After graduating from Harvard Business School in 1982, she re-joined Goldman Sachs as an associate in the real estate investment banking division.



Since leaving Goldman Sachs in 1993, she has pursued a number of real estate consulting activities and taught at the Columbia Graduate School of Business. She speaks frequently at various conferences relating to women's business issues.

**On Director Liability and Due Diligence:** "The popular press overstates the risks of being a director today. Appropriate initial due diligence and ongoing analytical

care are hardly burdensome to a prudent director, even in this post Sarbanes-Oxley world. The capability and integrity of the management team continue to be discernible. Any director, while fulfilling fiduciary obligations to shareholders, should know enough about the company to ward off potential problems before they develop or deal with them as they come to the fore. Audit committees may seem overworked with minutiae at times, but that vantage point can afford excellent insight into the inner workings of the company and may be the best insurance of all." ■