
Looking Forward in 2009

"2009 will present tremendous challenges, new beginnings and rewards to those who deliver results and remain focused and committed during the downturn."

RELATIONSHIP FOCUSED EXECUTIVE SEARCH AND ADVICE

As we begin a new year and look to the challenges ahead, we also reflect on the past and appreciate the many relationships we have been fortunate to develop; particularly with those of you who have supported us in our first six years as a firm. Since launching our firm during the last downturn in the Fall of 2002, we have been entrusted with nearly 150 executive search assignments while serving over 1,000 clients and candidates. To all of you, we are extremely thankful for your efforts in helping us establish TillmanCarlson and we look forward to what we hope will be an ongoing relationship for many years.

J. Robert Tillman
President & CEO

CIO and CFO; A Time of Change

As many of you are aware and have experienced in working with us, **our expertise in recruiting CIOs, CFOs, and their direct reports has been a consistent focus of our firm.** While the demand for technology leaders with strong interpersonal skills and business acumen remains a constant, CIO turnover and their team building activities rise and fall with the strength of the economy. 2008 saw a decrease in these activities and **it remains to be seen when CIOs will return to acquiring talent as they did in the previous 4-5 years.** Having said this, when the activity returns we expect demand will significantly outstrip supply and CIOs will be challenged to win in the renewed war for talent.

The CFO market, on the other hand, has remained strong with every indication it will continue as CEO and CFO turnover is expected to increase in 2009 and beyond. While the emphasis on experienced CFOs will likely return in the face of turbulent markets and the challenging economic picture ahead, the next generation of CFOs are ascending and bringing with them the skills and interests to partner with CEOs focused on driving change. **Risk management may be a consistent theme in 2009, but when the markets begin to turn, CFOs will seek platforms with clear growth and value creation potential.** As a result, the renewed emphasis on “been there done that” CFOs may turn quickly to the next generation leader coming up.

Private Equity; A New Cycle Begins

And where are the private equity investors who so demonstrably impacted value creation and the talent markets over the last several years? Clearly, the previous cycle marked by low interest rates, high leverage and tremendous amounts of available capital has come to an end. And yet **while the leading private equity firms will work through their portfolios and manage expectations, they also stand ready in what is shaping up to be the buyers’ market of a generation.** The new cycle has begun and now is the time patient investors have been waiting for as valuations will continue to fall, competition for deals is less severe, and capital remains poised and ready to invest. For those with the capital and willingness to put significant equity into a deal, tremendous opportunity exists. As a result, our private equity clients are cautious regarding their existing investments but excited about the future, and the strong, established players will likely drive the markets once again.

Expanded Capabilities to Serve Our Relationships

Since founding our firm six years ago, we have focused at the most senior levels of the market while recruiting CEOs, CFOs, CIOs, and their direct reports. As many of you know, we have conducted searches beyond this primary focus

based on the strength of a client relationship, and only after fully assessing our ability to effectively navigate the related market. This has allowed us to provide more assistance to many of you while developing expertise in the areas of sales, marketing and general management; just to name a few. **And typically, our clients ask us, "Will you do more?"**

In response to this question, we have expanded our capabilities to serve our clients. Not only are we well positioned to continue to serve you in the recruitment of CEOs, CFOs, and CIOs, but beginning in 2009, we will also conduct searches beyond this focus. And for our existing relationships, go even further to conduct searches in the market below our traditional minimum fee level. In doing so, annual total cash compensation for these positions is typically below \$300,000 where people consistently express dissatisfaction with the quality of service they receive from other firms. As a result, **it is in response to your needs and desire for us to do more that we respond.**

Challenges Ahead; Opportunities In View

The events of 2008 will be studied and examined for years to come. **While the current recession will be more severe and prolonged than any of us have experienced, difficult times bring out the best in many.** It is through persevering and succeeding through the challenges that we

become great. Having said this, I've always seen greatness not as a destination but as a never ending journey, and remember this quote from Sir Winston Churchill,

"Every day you make progress. Every step may be fruitful. Yet there will stretch before you an ever-lengthening, ever-ascending, ever-improving path. You know you will never get to the end of the journey. But this, so far from discouraging, only adds to the joy and glory of the climb."

So it is with a strong sense of the moment and a joy of the journey that we prepare for the challenges ahead. Past success does not guarantee success in the future, and **we understand that putting our relationships first and assisting you in being successful is what it's all about.** 2009 will present tremendous challenges, new beginnings and rewards to those who deliver results and remain focused and committed through the downturn.

We wish you success in the coming year and welcome the opportunity to serve you during the months and years ahead.



J. Robert Tillman
President & CEO



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