



- ION** (n): (1) An atom or group of atoms containing an electrical charge
(2) Executive women's networks combining their energies to increase the presence of women in corporate boardrooms and executive suites.

Guys Who Get It: Business Leaders Who Understand the Value of Diversity at the Top

The 6th Annual Status Report of Women Directors
and Executive Officers of Public Companies
in Fourteen Regions of the United States

Founding Sponsor



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InterOrganization Network (ION)

The InterOrganization Network (ION) is an alliance of fourteen prestigious women's business organizations located across the United States. ION's members share the mission of advancing women to positions of power in the business world, primarily to boards of directors and executive suites. ION gives its geographically dispersed members a national voice, a network to broaden their advocacy efforts, an expanded pool of qualified board candidates to recommend to companies, and the ability to leverage their combined resources to increase the number and percentage of women who comprise the leadership of corporate America.

During the past year, ION welcomed two new member organizations: Minnesota Women's Economic Roundtable and The Board Connection of Dallas, Texas.¹ ION's members now engage more than 10,000 executive and professional women in a wide range of programs and activities. In addition to a national platform for women who hold and aspire to corporate leadership positions, ION offers a forum for the exchange of ideas and best practices designed to increase the effectiveness of each ION member in its own region.

ION's unique research and report

One tool in the arsenal of ION and its members is the benchmarking and tracking of women directors and executive officers of public companies based in their respective regions. The research data that ION's members publish provide a breadth and depth of information not available anywhere else. Going beyond the largest public companies in the United States to include those businesses that comprise the backbone of the country's regional economies, ION provides a comprehensive picture of the reality confronting women who seek corporate leadership positions. Further, its members' reports identify a significant pool of accomplished women available for board positions elsewhere.

This is sixth year that ION has published a summary of these key research findings. This year's report also focuses on eleven men whose leadership provides models for generating productive change that will benefit all companies as well as the many women who aspire to top positions.

Acknowledgements

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¹ All fourteen members of ION are identified on the back cover of this report. More information about them and links to their respective websites can be found at www.IONWomen.org.

Introduction

A Bleak Landscape that Cries Out for Change

The doors to public company boardrooms and executive suites remain closed to too many talented women who have the experience and skill sets to make valuable contributions in both settings, although a number of women managed to attain corporate leadership positions during the past year. The data reported by ION's members are consistent with those found in national studies: the numbers have stayed more or less the same, with small variations from year to year. And those numbers are way too low.

A summary of the data collected by ION's fourteen members appears at the end of this report. The key points are these:

- In the fourteen regions represented by ION's members, women hold between 7.6% and 17.8% of the board seats in all of the companies included in their research.
- In the Fortune 500 companies in the fourteen regions, women hold between 12.0% and 19.5% of all board seats;² and for companies in the Fortune 501-1000 category, the range is between 6.3% and 18.0%.³
- In the fourteen regions, the percentages of companies with boards on which women comprise 25% or more of all directors range between 1.4% and 21%.
- Conversely, the percentages of companies that have no women directors range between 11.0% and 55.0%.
- Women of color comprise an extremely small percentage of directors throughout the United States. The fourteen ION members report that women of color hold between 0.8% and 3.6% of the board seats of the companies in their respective research pools.⁴
- Women hold between 7.0% and 15.2% of all executive officer positions in the companies researched by ION's fourteen members. However, between 32.0% and 70.0% of those companies have no women in their executive suites.
- In the fourteen regions, the percentages of women who are among the top compensated executives in their companies range between 5.1% and 9.8%. Between 60.0% and 78.1% of those companies have no women among their most highly paid executives.

As always, the ranges between these percentages reflect the fact that larger companies are more likely than smaller companies to have boards and executive teams that include women and people of color. Accordingly, ION members whose research includes a significant proportion of smaller companies report fewer women in leadership positions and more companies with all-male boards and executives.⁵

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² Nationally, the comparable figure for all *Fortune* 500 companies is 15.2% according to Catalyst (*2009 Catalyst Census: Fortune 500 Women Board Directors* (2009)); Spencer Stuart reports 16% for the S&P 500 (*2009 Spencer Stuart Board Index* (2009)).

³ RiskMetrics Group reports that women hold 12% of the directorships across all 1500 companies in the three S&P indexes. RiskMetrics Group, *Board Practices 2009* (2009).

⁴ Nationally, the comparable figure for *Fortune* 500 companies is 3.1% (*2009 Catalyst Census: Fortune 500 Women Board Directors* (2009)).

⁵ For example, 48 of the 50 companies researched by The Chicago Network are within the *Fortune* 1000, as are 95 of the 100 companies in the pool considered by the Financial Women's Association of New York. Conversely, only 29 of the 160 Georgia companies researched by the Board of Directors Network fall into that category.

“Guys Who Get It” all focus on merit and are keenly aware that the best person for the job often may be a woman.

These findings indicate that despite the cogent business case for diversified leadership repeatedly made by organizations dedicated to promoting good governance practices and by a growing number of institutional investors, too many companies and their advisors, including executive search firms, remain mired in the past and continue to rely on their traditional networks and ways of approaching succession planning at both the executive and board levels.

Constructive Action to Bring About Change

ION and its members are taking action on several fronts. Assisted by an Advisory Council of prominent leaders, and by partners in the good governance and socially responsible investment communities, ION is making more visible the business case for including women in leadership positions and the large pool of talented women ready to assume those positions. ION and some of its individual members sent letters to the Securities and Exchange Commission supporting the required disclosure by listed companies of the manner and extent to which they take diversity into account in the board nominating process.⁶ We will be watching to see the effect of the SEC’s new rule and are ready to assist companies that would like to modernize their nominating committee charters and board selection processes.

In an effort to provide role models to corporate leaders who would like to diversify their leadership teams, ION is devoting the majority of this annual report to eleven highly influential business leaders who have demonstrated a clear understanding of the business case for diverse leadership and who can attest to the value of having included talented women in leadership positions. These “Guys Who Get It” were nominated by members of ION from among the business leaders in their respective communities.⁷ Despite a wide range of backgrounds and industries, these eleven men have certain things in common:

- A longstanding appreciation of the benefits of including individuals with different backgrounds and perspectives in their circles of colleagues and advisors. None of these men is a “Johnny come lately” to the issue of diversity.
- A passion for recruiting, retaining and promoting the most talented individuals, regardless of gender. These eleven “Guys Who Get It” all focus on merit and are keenly aware that the best person for the job often may be a woman.
- The ability to judge people as individuals without being hindered by stereotypical views of women. These men have no trouble seeing women as leaders in traditionally male-dominated industries. Nor have they been reluctant to assign women responsibility for functions historically viewed as “off limits” to women.
- An understanding of the company-wide benefits that flow from a culture that values diversity. In addition to their recognition of the positive impact of diversity on the decision-making process, these men understand the importance of women leaders as role models for others in the company and as representatives of key stakeholders and customers.

These eleven men are examples of great leadership. Fortunately, they are not unique -- ION members all know of other “Guys Who Get It.” However, as the statistics presented at the end of this report demonstrate, there are hundreds of other CEOs and board chairs who would do well to follow these eleven examples when it comes to recognizing the power of diversity at the top.

⁶ The SEC cited these letters in the December 16, 2009 release of its Final Rule: Proxy Disclosure Enhancements.

⁷ Our focus on male leaders is not inconsistent with the fact that much of the progress of women to date is attributable to the support and advocacy of women, including women who themselves are directors, CEOs and other business leaders. Because women still comprise a very small percentage of these groups, however, it is clear that significant change can only occur if male leaders take action to make it happen. And in this regard, male role models are likely to be particularly effective.



Jeff Joerres
Chairman, CEO and President of Manpower Inc.

Jeffrey Joerres has been president and CEO of Manpower Inc., a world leader in the employment services industry, since 1999 and chairman of the board since 2001. He led a transformation of Manpower's business strategy, adding new business lines that expanded the company's ability to help clients and candidates navigate the changing world of work. Jeff ensures that diversity is a natural part of Manpower's culture. As a result, a large percentage of Manpower's executives and board members are women, including a 40-percent-female executive team.

"My goal has been to build a company that can both sustain success and uphold clear leadership. With that comes the need to have a diverse group of people with a multifaceted range of capabilities and ideas. Our executives come from all walks of life and cultures, which makes for a vibrant team. Because of our diversity, when we meet to make decisions, it's both a debate and collaboration – and we enjoy ourselves in the process. We now have so many key positions that are filled by women that I no longer think of it as diversity. It's become a part of what we are as a company, which is satisfying.

The presence of women in leadership roles has significantly affected our financial performance. More than 70 percent of Manpower's total revenues are generated by women. For example, our Europe, Middle East and Africa Region (EMEA) and Manpower France both have women presidents. EMEA generated \$9 billion and France \$7 billion.

It also helps us immensely that many of the women in our company have been recognized by various publications, such as *Fortune* and *Pink Magazine*. These recognitions epitomize who we are. They highlight performance by our diverse team. Ultimately, that has a positive effect on our financial performance and enables us to remain competitive.

For me, there was no brigade, no epiphany. I grew up on the south side of Milwaukee in a predominantly white neighborhood, but my mother taught me not to judge others and to be open minded – to listen and understand. That's why having women on our executive team and on our board isn't just about doing the right thing – it's about having a different perspective and doing what we can to get the job done. This is part of who I am."



Eric Foss
Chairman and CEO of Pepsi Bottling Group**

Eric Foss is Chairman and CEO of The Pepsi Bottling Group, the world's largest manufacturer, seller and distributor of Pepsi-Cola beverages. Diversity Inc. magazine named PBG to its "Top 50 Companies for Diversity" list in 2009 for the third consecutive year. PBG's Board of Directors is 40 percent female, making it one of the most gender diverse boards in the Fortune 500.

"Diversity and inclusion are at the core of our company's culture and touch all levels of our organization. There is a simple reason for this. The customers we serve, the consumers who buy our products and the communities in which we do business have all become increasingly diverse over the years. Having a similarly diverse workforce enables us to better understand the marketplace, which in turn fuels our success.

We now have so many key positions that are filled by women that I no longer think of it as diversity. It's become a part of what we are as a company, which is satisfying.

If you have a board that is largely homogeneous, then it's going to be very difficult to benefit from the full range of talents and experience required to thrive in today's global economy.

This commitment to diversity extends to our board. There are a number of qualities that all great boards have in common. Three that come to mind are high-quality leadership, wide-ranging expertise, and unique vantage points on the world. If you have a board that is largely homogeneous, then it's going to be very difficult to benefit from the full range of talents and experience required to thrive in today's global economy.

It's simply good business sense to assemble leaders who bring unique perspectives and wisdom gained through different experiences to bear on the opportunities and challenges of today's marketplace.

Diversity in the PBG boardroom has led to more productive dialogue and enabled us to consider things that might otherwise go unnoticed. As an example, one of the women on our board has years of experience in the retail industry and helped us develop more creative packaging. Another is a successful entrepreneur who owns a large construction company. Her 30 years of experience and entrepreneurial spirit are invaluable to us.

When I think about my closest advisors, it starts at home with my wife and three daughters. I've had the opportunity to coach each of my daughters' basketball teams. I didn't realize it at first, but coaching girls is a lot different than coaching boys. This experience has taught me several important lessons that influence my leadership approach."

*** At the time of this interview, PBG was involved in a pending merger transaction with PepsiCo. The merger has since been completed, and Foss is now CEO of Pepsi Beverages Company, a division of PepsiCo.*



Chip Emery
Chairman and CEO [Retired] of MTS Systems

Sidney W. "Chip" Emery, Jr. is the recently retired chairman and former CEO of MTS Systems Corporation, a leading global supplier of test systems and industrial position sensors. During his time as CEO, many of his appointments to the executive team were women. Chip is also a member of the diverse board of directors of ALLETE, Inc., an energy provider in the upper Midwest.

"Surrounding myself with people smarter than me has been a winning formula, both for myself personally and for the businesses I have managed. Whether recruiting from outside or promoting from within, race, religion, sexual preference, or gender didn't matter if the candidate was the very best person for the job. The fact that we brought in many women executives while I was CEO of MTS is attributable to the strength of those individuals.

Today three of the four top executives leading MTS, including the CEO, are women. It is very satisfying to have shared in the individual development and personal growth of all of them, as the board chose my successor from inside the company. Having both women and men in senior management roles brought different perspectives to our deliberations and successfully kept the leadership team focused on implementing our strategic plan. For example, the woman who joined the company as Vice President of Human Resources not only brought us strong succession planning and personnel development practices but also exceptional strategic thinking. Our CFO and my successor are women who joined MTS with proven track records and an urgency to build a sustainably strong business. Each of these women executives had a sense of 'being her own boss,' which added a lot of strength to the company.

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I realize the value of women in the workplace, as my wife and I raised three daughters and a son. Over the years, they all brought their own views to the table. In a business environment, that same variety of perspectives is important — it's one of the key factors in making a company successful. And that message continues to be reinforced. For example, ALLETE, the parent company of 100+ year old Minnesota Power has had a long and varied success story in part due to its board. As a director there, along with seven other men and three women, I find the diversity of both experiences and background stimulating. Everyone is articulate and aggressive about sharing experiences but it is always a collaborative effort. Both the directors and the management team learn from listening and talking to each other. They are from all walks of life and while each is a successful leader, we all leave our egos at the board room door. That experience is much the same as at MTS where for most of my tenure the board consisted of three men, three women and myself — the only insider."



John W. Rogers, Jr.
Chairman, CEO & Chief Investment Officer, Ariel Investments

In 1983, John W. Rogers, Jr. founded Chicago-based money management firm, Ariel Investments, to focus on undervalued small and medium-sized companies showing strong growth potential. Patience served as the cornerstone of a disciplined approach that still drives the firm today. Beyond Ariel, John serves on the boards of Fortune 500 companies as well as prominent nonprofit organizations. In 2008, John's civic mindedness was recognized when he was awarded Princeton's highest honor, the Woodrow Wilson Award, bestowed annually on a graduate whose career embodies a commitment to national service. Following the election of President Obama, John served as co-chair for the Presidential Inaugural Committee 2009. He received an AB in economics in 1980 from Princeton University where he was also captain of the varsity basketball team.

"Of the top four officers at Ariel Investments, two are very strong women. Both are outspoken, and rightly so, as they have a knack for challenging ideas and bringing more to the table. This sets a tone for the company — it makes it OK to say what you think. The vibrant openness of these women is a great example of the firm's leadership and sends the message to other women in the company that great leadership is not limited by gender.

The presence of women in leadership roles has definitely affected the company's financial performance. Ariel Investments is an underdog. We compete with big names such as The Vanguard Group. It's exceptional that we've been able to remain competitive. I believe this is due in part to having strong women in leadership, especially since it's very rare to see female mutual fund executives in large companies.

Ariel's board of directors is also diverse and functions in a way that encourages full participation. Often, it is the women directors who push other board members to recognize their full potential.

I grew up in Hyde Park, a notably diverse area of Chicago. It was a climate in which people were valued based on their intellectual capabilities, rather than by their gender or the color of their skin. Typecasting was never an option. My mother was the first African-American woman to graduate from the University of Chicago Law School and her dynamic personality and intellectual capacity set the stage for my appreciation of strong women in the workplace. I've enjoyed witnessing the women I grew up with develop into extraordinary leaders. Many of those women are now some of the brightest, most influential women I know."

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I believe that having women in positions of authority and on our board has indirectly helped Birks & Mayors weather the current economic crisis.



Tom Andruskevich
President & CEO, Birks & Mayors Inc.

Thomas A. Andruskevich is president and CEO of Birks & Mayors, Inc., a leading North American luxury brand retailer, designer and manufacturer of fine jewelry, timepieces and giftwear, and the official supplier of jewelry for the 2010 Olympic Winter Games. Under his leadership, Birks & Mayors has supported diversity and community involvement in both Canada and the United States.

“Over the last several years, 45 to 50 percent of the directors on our board have been women. That balance is vital, as women tend to ask more questions than their male counterparts. Not only that, they seem to contribute more details during discussions and participate collaboratively. I feel that this kind of teamwork is the most effective way to reach the solution to a problem, and it has definitely affected our company’s decision-making processes. Plus, having a combination of both male and female perspectives definitely gives us a competitive edge.

Because we look beyond the stereotypical gender barriers which are still employed by many companies, our board members reflect the diversity found in today’s world and in our clientele, which in turn gives us the opportunity to work with many talented women. Aside from the fact that women have a better understanding of jewelry, it’s important to have women in leadership roles. Their thought processes and view of the world are often different from men’s. These differences are vital to making sure we arrive at the most informed decision.

I believe that having women in positions of authority and on our board has indirectly helped Birks & Mayors weather the current economic crisis. For example, women comprise 80 percent of our marketing team. They developed a new ad campaign which touches on emotions and gives consumers permission to buy in a way that’s perfect for this economy.

Last year, we had to address many tough issues such as salary cuts and layoffs. I feel that since women are more perceptive of people’s needs and more careful than men, their input helped us make the best decisions for both the company and our team. I find that women are more interested in long-term results, which also helped us through the economic situation.”



Don Fry
President and CEO, Greater Baltimore Committee

Donald C. Fry has been President and CEO of the Greater Baltimore Committee (GBC), a premier organization of business and civic leaders, since 2002. From the start, he has articulated recruitment of women and minority businesses into the organization as one of his key goals. Don spearheaded GBC’s Bridging the Gap initiative to offer seminars, networking and partnership-building opportunities to these businesses.

“Until I became involved with the Greater Baltimore Committee, there was a legacy of mostly male leaders. When I became president in 2002, I made a deliberate attempt to find women CEOs because it’s critically important to have a strong leadership team that reflects the community in which we serve. We’ve co-sponsored programs for the past five years that teach women how to serve on corporate boards and how they can better position themselves. We’ve also co-sponsored reports that illustrate the status of Maryland’s diversity within corporate boards of directors. We want to make other corporations aware of the importance of having a board that reflects both clients and community. As a business leadership organization that welcomes women and diversity, we’re well suited to highlight that concept for those corporations.

Having women in a company’s senior leadership ranks brings a new perspective to the decision-making process.

Having women in a company's senior leadership ranks brings a new perspective to the decision-making process. Women have progressed through corporate or business ranks and have overcome challenges such as balancing business with their personal lives. Because each woman has her own challenges and issues, she becomes very astute and will bring up key points that might not be brought up otherwise.

I find that women pay more attention to details that will make even the slightest difference to the community or to our employees. The women in the Greater Baltimore Committee have done a tremendous job helping us through the current economic situation, including in some of the most crucial areas in the organization such as programmatic work, membership, sponsorship and events."



Douglas R. Conant
President and CEO, Campbell Soup Company

Douglas R. Conant became the 11th leader in Campbell Soup Company's 140-year history when he was appointed president and CEO in 2001. Under Doug's leadership, Campbell has improved its financial profile and has reached world-class levels of employee engagement. Doug is a strong advocate of diversity and inclusion and has ensured that women play a leading role at Campbell. Catalyst recently recognized Campbell with the 2010 Catalyst Award for its exceptional initiatives to support and advance women in business.

"Campbell Soup Company is a consumer food company serving a diverse audience – 80 percent of whom are women. When you serve a diverse set of consumers, it is imperative that you have a diverse workforce. In other words, your management team and workforce must mirror the marketplace in which you compete. At Campbell, diversity and inclusion help us do our jobs faster, better, more completely and more uniquely than the competition. The longer I'm in business, the more I realize that diversity and inclusion deliver real business value.

I'm proud to say that we have made great progress in creating a culture and a management team that is diverse and inclusive. In the past, corporate cultures were hierarchical and almost military-like in structure. Today's corporations have evolved. At Campbell, we have created a collaborative culture that benefits from the full range of our employees' diverse experiences and perspectives.

The presence of more women on our leadership team has been integral to creating this culture and driving our performance in the marketplace. Today, women lead our businesses as well as functions such as Marketing and Legal and make key decisions that propel our business forward. For example, Denise Morrison is President of North America Soup, Sauces and Beverages, our largest business, which recently launched Campbell's Select Harvest soup – an all-natural, healthy soup designed by women for women. This soup started as a highly conceptual idea and was brought to market by Denise and her team. Additionally, Campbell's Board of Directors benefits from the experience and perspective of three female board members.

Campbell's mission is 'to build the world's most extraordinary food company by nourishing people's lives everywhere, every day.' Simply put, you cannot build an extraordinary company without an extraordinary and diverse workforce. We focus on this in a very purposeful way, including specific programs designed to win with women. While I am proud of our achievements to date and the recognition we have received, I am confident that we can do even more to advance women in business."

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Charlie Baker
Former CEO, Harvard Pilgrim Health Care

Charles Baker was appointed CEO of Harvard Pilgrim Health Care (HPHC), a full-service health benefits company, in 1999. He led a major turnaround, including a \$220 million year-over-year improvement in financial performance from 1999 to 2000. Women currently hold seven of the 17 senior executive positions and six of the 12 board seats at HPHC.

"When I began as CEO of Harvard Pilgrim Health Care, we focused on finding high-performance executives and creating a board of directors that was experientially diverse. Today, half of our directors and many of our senior executives are women. These women hold themselves to very high standards and they expect that they will deliver on those standards. They take nothing for granted.

In particular, I think women can be successful leaders because they are good communicators and can juggle multiple tasks. Specifically in the case of Harvard Pilgrim Health Care, we know that women – mothers, wives, daughters, senior managers and law firm partners – tend to make many more health care decisions than do men. Women often spend more time thinking about the different aspects of health care and can communicate what makes a good experience versus a bad experience.

If you don't have women involved in the leadership of a company, you're leaving 50 percent of the population on the sidelines. That seems crazy. With broader perspectives come better governance practices. Any organization that doesn't have a reasonable distribution is probably sub-optimizing its performance. Women bring constructiveness and attention to detail.

I'm a big believer that to attract and retain women for leadership in the workforce and on boards, you have to demonstrate that the company believes in diversity and provides people with opportunities to lead. If you ask Harvard Pilgrim's women executives, they'll tell you that they believe women are well represented in senior management, their voices are heard and they are empowered to make key decisions. If it's a good place for women to work, women will tell other women."



Bill Campbell
Chairman of the Board, Intuit

William Campbell assumed his role as chairman of Intuit's board of directors in August 1998. During his tenure, the company's market value grew from approximately \$700 million to nearly \$3 billion as Intuit solidified its position as a leader in tax, personal finance and small business accounting software. As former President and CEO, Bill ensured that women received a fair chance of landing senior positions within the company.

"Am I passionate about having diverse leadership within the company? Yes. But I'm not emotional about it. It's all a matter of searching for high-quality people, since the characteristics of a company are measured by the characteristics of the management team.

I do hire for diversity – there's no question about that – but I'm looking for the best person for the job and that can definitely be a woman. I don't just take the first person that comes along. For the past four years, we've held regular meetings of our executive committee and discussed the role of women in the company and how we can enhance it. We hire great people and great people are

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not just limited to men. I think that women outside of our company look at the number of women VPs and officers at Intuit and aspire towards working here. It's an attractive opportunity.

My first job after I stopped coaching football was with the New York-based advertising agency J. Walter Thompson, where my boss, Jeanne Maraz, mentored and taught me so much about the business world and about success. At the time there weren't many women executives, so it was a rare and wonderful experience to be able to learn from her. I was also able to learn a lot from Donna Dubinsky, a former board member of Intuit. We ended up founding a company together.

If I come across someone with any sort of gender or race bias, I get furious. When I teach my class on leadership at Stanford University, I tell them that anyone in the room can be a CEO. Just don't change your personality to get there. Women are fantastic contributors to the company. I have just as many women friends as men. We drink beer together and have the same conversations. I have no old-time biases."



TK Kerstetter

President & CEO, Board Member, Inc.

TK Kerstetter is the president and CEO of Board Member, Inc., a privately held publishing, database, research and conference company focused on corporate board issues and governance trends. TK keeps the issue of women in the workplace alive for the general board director community through Corporate Board Member Magazine. He was instrumental in bringing about the 2009 Boardroom Diversity Symposium and serves on ION's Advisory Council.

"It's easy for me to see why a board should be representative of the communities or markets in which it serves. A diverse board is better equipped to deal with market- and industry-related challenges, as well as with strategic issues. This is not to say that board members don't have to be qualified. Members must be able to understand the financials, human relations and operations as they relate to the company.

The challenge in today's business world is to recognize a person not as a 'good woman director' but as a 'good director.' It shouldn't be an issue of gender or race, but of qualification. I personally know many women who would not want to attain their corporate status or board membership based on gender, but on how well they have performed as an executive.

Companies searching for new board members should try to cast a wider net. They'll find no shortage of qualified women candidates. While public companies have made excellent progress in the past ten years, they still have a long way to go because they're not even close to having proper representation of women on boards of directors. When they do, ION won't have to work so hard!

My advice to women who want to serve on boards or become senior executives is this: Find the right mentor so that you can learn the ropes and are presented with the best opportunities. Do your best to think like the CEO particularly when it comes to planning or strategic company issues. And finally, if you want to serve on a board, let other executives know you're interested, but don't try too hard or be too aggressive. You'll find the best advice is to just be yourself and let your qualifications and experiences speak for themselves."

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I make sure we're recruiting and filling the pipeline. I believe in it enough to drive it through the organization so that we consider diverse candidates for every open position.

Success in recruiting... and realizing the benefits of including [accomplished women] largely depends upon the existence of an institutional culture that values merit, welcomes new questions and approaches, and respects differences among individuals who all are committed to the same goals and strategies.



Chip McClure
Chairman, CEO and President of ArvinMeritor

Charles G. "Chip" McClure is chairman of the board, CEO and president of ArvinMeritor, Inc., a \$4.1 billion Tier 1 global supplier of a broad range of integrated systems, modules and components to original equipment manufacturers and the aftermarket for the transportation and industrial sectors. He has more than 30 years of diverse leadership experience in the motor vehicle industry and is the official "Diversity Champion" for ArvinMeritor.

"In any organization, it helps to understand the company's overall DNA. Diversity at ArvinMeritor's leadership level says that we're inclusive. We get the best of everyone's thoughts, new ideas and perspectives. When collaboration and teamwork are important, people are empowered to say, 'Hey, have you thought of...'

I'm the official "Diversity Champion" for our company. I make sure we're recruiting and filling the pipeline. I believe in it enough to drive it through the organization so that we consider diverse candidates for every open position. It starts with me, but it's just not me. Our board's Environmental and Social Responsibility Committee tracks diversity, among other issues. A diverse leadership team has a competitive advantage and more business opportunities. Diversity makes good business sense. Plus, it's the right thing to do.

Companies need to make sure that there is diversity at the top, starting at the board level and ArvinMeritor has two female board members. At our company, we continue to ensure that there are strong female role models so that prospective leaders can seek advice and counsel. Among our highest senior-ranking women are the heads of communications, strategic initiatives, and IT, as well as our corporate secretary. The women in ArvinMeritor's senior management came up through the ranks in the 1970's and 80's. They did it for themselves and for women in general. There's no question that these women bring a different perspective. They seem to be more collaborative.

Strong women have played a significant role in my personal history: a working mother, and a wife, daughter and sister who have successfully navigated male-dominated work environments. I've seen the issue of diversity change through three generations. We're heading in the right direction, but we have to keep working on it. That's why reports like this are important – they give us the chance to share and learn best practices and personal experiences."

Conclusion

Lessons Learned

As these leaders demonstrate, the benefits of diversity at the top cannot be realized by simply going out and recruiting a woman or a person of color to sit on a board of directors or join the executive suite. What is required is a willingness – indeed an intentional effort – to look beyond the limited networks and resources traditionally used to populate corporate leadership, to recognize talent in whatever form it may take, and to build leadership teams that include at least several women and people of color.

The companies and organizations led by the eleven men who are profiled in this report all have leadership teams in which women constitute a critical mass.⁸ These women are not marginalized. They are not treated as tokens. They play critical roles as individual contributors to the advancement of the institution and its stakeholders. The true benefits of diverse boards and executive suites arise out of the synergistic actions and interactions of all members of the leadership group.

⁸ See V.W. Kramer, A.M. Konrad & S. Erkut, "Critical mass on corporate boards: Why three or more women enhance governance," Wellesley Centers for Women, Report No. WCW 11, Wellesley, MA (2006).

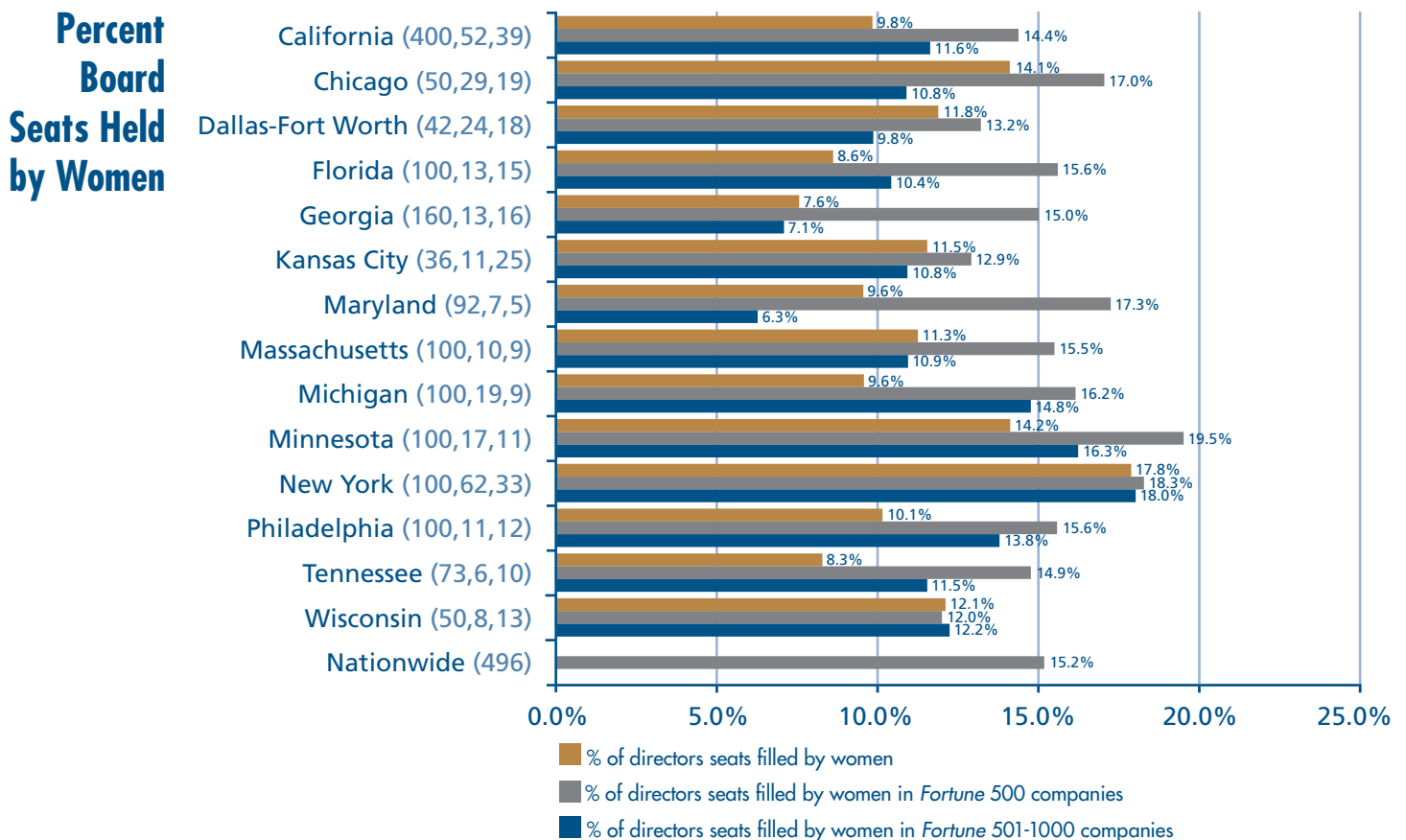
The lessons that we hope you will take away from this report are these:

- The increasingly competitive search for talent demands a new approach to the recruitment, retention and promotion of women executives and to the recruitment and evaluation of women directors; in many instances the best and the brightest will just happen to be women.
- It is not difficult to identify accomplished women as candidates for board and executive positions – individuals who combine the particular skill sets and industry knowledge needed by the company and some different experiences and perspectives that add special value to the leadership team.
- Success in recruiting these candidates and realizing the benefits of including them in the boardroom and executive suite largely depends upon the existence of an institutional culture that values merit, welcomes new questions and approaches, and respects differences among individuals who all are committed to the same goals and strategies.
- The establishment and maintenance of a culture of inclusion starts and ends at the top. Without committed leadership by the CEO, board chair and nominating committee chair, constructive change will not occur and the benefits of diversity cannot be realized.

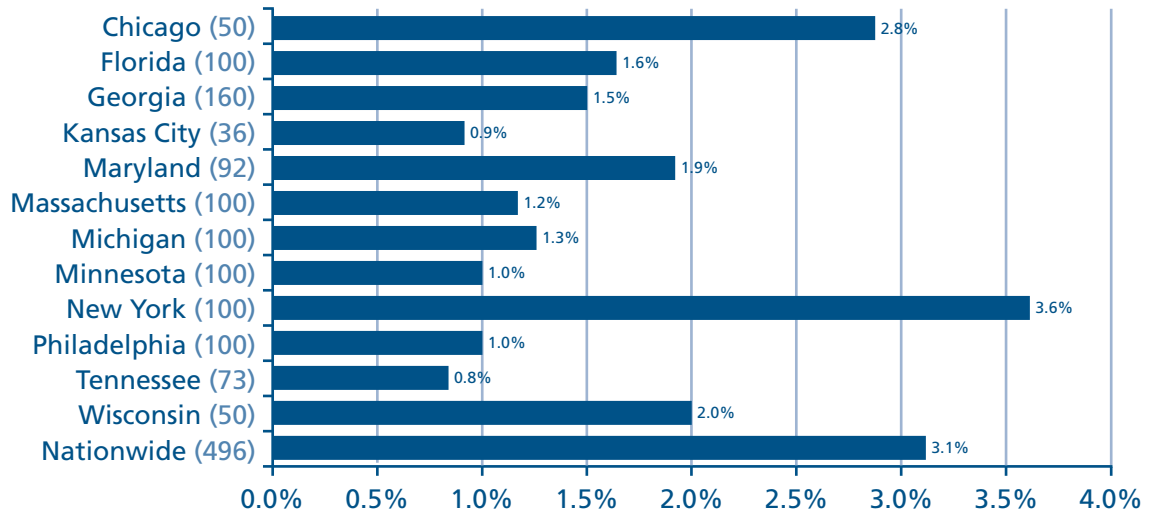
It will take the concerted leadership of the men and women who currently populate the boardrooms and executive suites of American corporations to institutionalize the kind of mindset reflected in the eleven profiles. We believe that the national and global environment requires such an effort. And we look forward to the day when all companies benefit from the contributions offered by talented women and people of color. In the meantime, we celebrate the eleven “Guys Who Get It” and their counterparts across the country.

Statistical Appendix

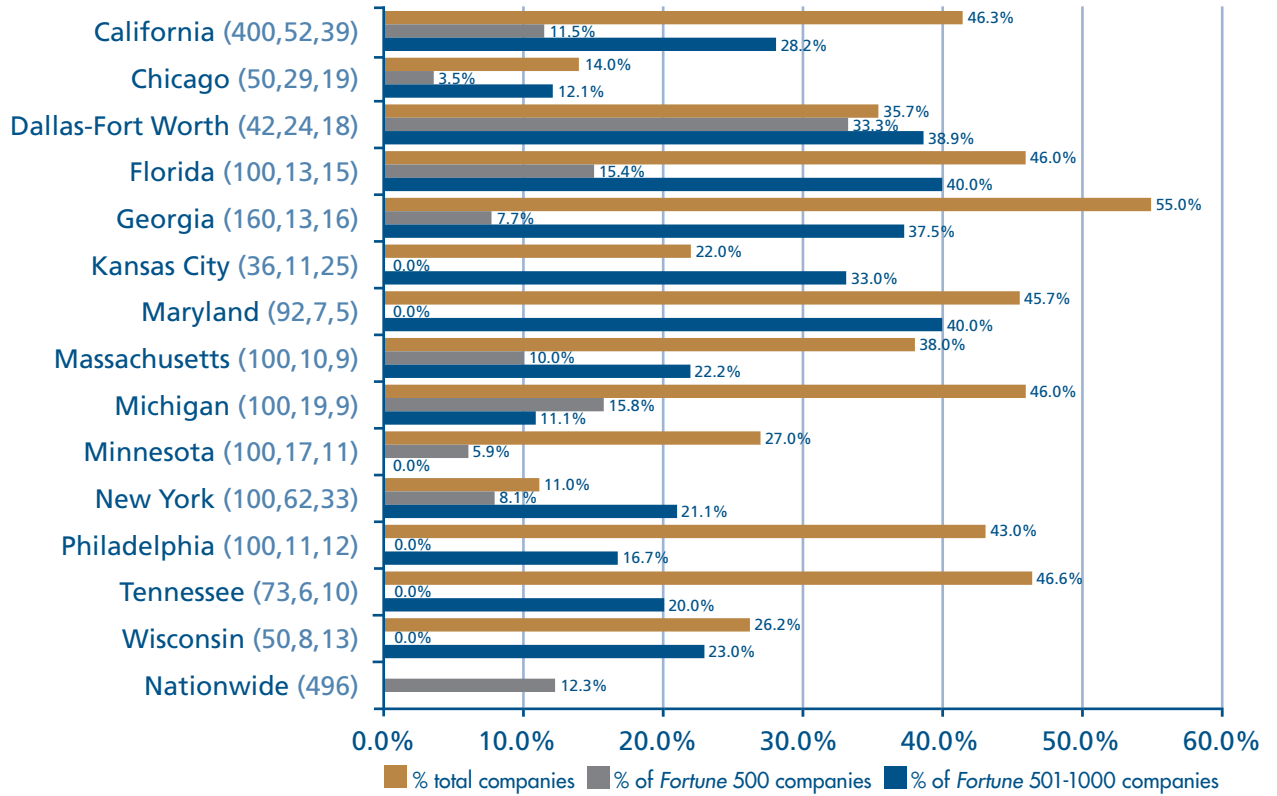
The numbers in parentheses indicate the total number of companies included in the research for the applicable geographic region and the subsets of that pool that fall within the *Fortune* 500 and *Fortune* 501-1000 categories.



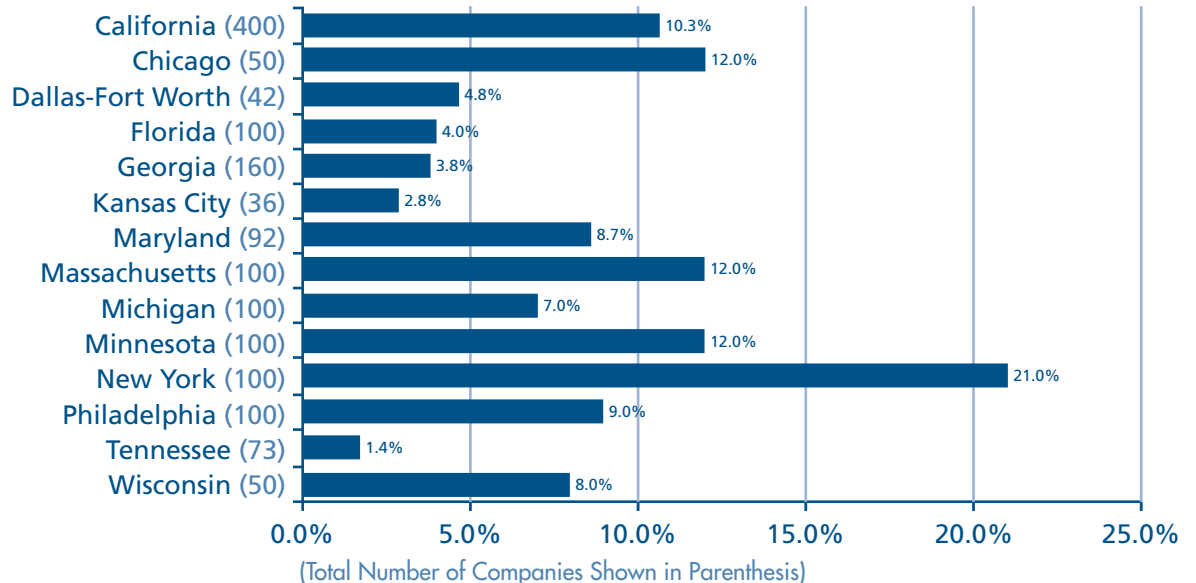
Percent Board Seats Held by Women of Color



Percent of Companies with No Women Directors



Percent of Companies with 25% or More Women Directors



Women Executive Officers

Region (number of companies in sample)	% of executive officers who are women	% of companies with NO women executive officers	% of CEOs who are women	Total Number of Women Among Top Compensated	Percent of Top Compensated Executives who are Women	Number of Companies with NO Women Among Top Compensated	Percent of Companies with NO Women Among Top Compensated
California (400)	11.6%	49.3%	3.8%	155	8.4%	275	68.8%
Chicago (50)	14.9%	34.0%	3.9%	19	7.7%	32	64.0%
Dallas-Fort Worth (42)	9.8%	35.7%	0.0%	13	6.1%	30	71.4%
Florida (100)	7.0%	70.0%	0.0%	35	7.0%	70	70.0%
Georgia (160)	8.6%	62.5%	1.9%	47	6.9%	106	71.1%
Kansas City (36)	9.7%	39.0%	0.0%	10	5.1%	26	72.0%
Maryland (92)	10.4%	60.9%	2.2%	39	9.6%	61	66.3%
Massachusetts (100)	8.6%	56.0%	4.0%	28	5.4%	77	77.0%
Michigan (100)	10.5%	59.0%	1.0%	41	9.4%	64	64.0%
Minnesota (100)	15.2%	32.0%	4.0%	42	9.5%	71	71.0%
New York (100)	15.0%	33.0%	6.0%	50	9.8%	65	65.0%
Philadelphia (100)	11.1%	53.0%	4.0%	43	8.3%	63	63.0%
Tennessee (73)	8.7%	65.8%	0.0%	20	5.9%	57	78.1%
Wisconsin (50)	12.8%	42.0%	4.0%	22	9.0%	30	60.0%
Nationwide (496)	13.5%			135	6.3%		29.2%

Methodology

Researchers for all ION member organizations collected the data reflected in this report from the most recent proxy statements (DEF 14A), annual reports (Form 10-K) and current reports (Form 8-K) that public companies with headquarters in their respective areas filed with the Securities and Exchange Commission (SEC). The individual reports of ION's members differ in terms of the number of companies they include and the extent of the geographic area they encompass. Four studies (Chicago, Dallas-Fort Worth, New York and Philadelphia) cover metropolitan areas; the other ten reports are statewide. This year, the number of companies included range from 36 (Kansas City) to 400 (California). By using the same definitions and methodology, however, ION's members have produced results that can be compared. The nationwide statistics in the foregoing tables come from reports issued by Catalyst (*2009 Catalyst Census: Fortune 500 Women Board Directors and 2009 Catalyst Census: Fortune 500 Women Executive Officers and Top Earners*).

ION National Advisory Council

Formed in 2009, ION's Advisory Council consists of eight prominent U.S. thought leaders brought together to advise on strategies and provide resources to help us fulfill our mission of advancing women to positions of power in the business world.

Carolyn Byrd - CEO of GlobalTech Financial

Michael Eskew - retired Chairman and CEO of UPS

Gail Evans - author and retired EVP of CNN

Virginia Gambale - Founder and Managing Partner of Azimuth Partners

TK Kerstetter - CEO of Board Member, Inc

Blythe McGarvie - former EVP and CFO of the Bic Group

Kathi P. Seifert - President of Katapult, LLC

Judith von Seldeneck - Chairman and CEO of Diversified Search Ray & Berndtson

ION Board of Directors

President - Rona L. Wells,
Board of Directors Network

President-Elect - Charlotte Laurent-Ottomane,
Women Executive Leadership

Secretary - Donni Case,
The Chicago Network

Treasurer - Toby Gordon,
NETWORK 2000

Terry A. Barclay, Inforum Center for Leadership

Jilaine Hummel Bauer, Milwaukee Women inc

Wendy Beecham, Forum for Women Entrepreneurs and Executives

Ellen D'Amato, The Central Exchange

Melisa A. Denis, The Board Connection

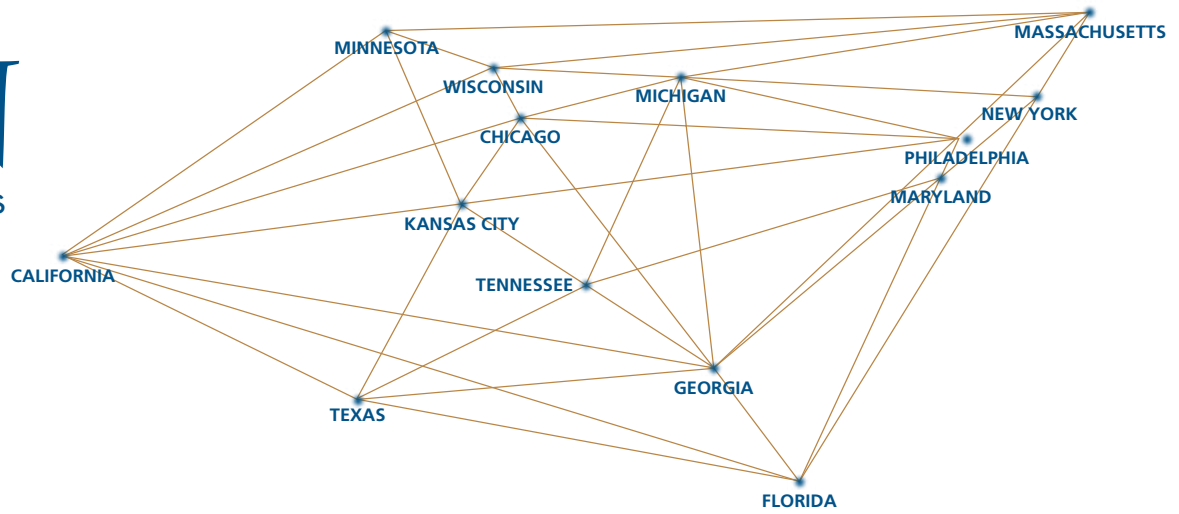
Debra Fish, CABLE

Ziporah Janowski, Financial Women's Association of New York

Linda Hall Keller, Minnesota Women's Economic Roundtable

Vicki W. Kramer, The Forum of Executive Women

Toni G. Wolfman, The Boston Club



THE BOARD CONNECTION

www.theboardconnection.org info@theboardconnection.org
 717 N. Harwood Street, Suite 3100 • Dallas, TX 75201 • 214-840-2451

Founded in 2009, The Board Connection ("TBC") is dedicated to helping women reach the board room. The Texas non-profit organization was formed to attract highly skilled executive women who are no more than five years from board readiness. The goal is to develop a pipeline of women - with a focus on assessment, training, networking and connecting these women to the board room. The group is dedicated to increasing the number of women who serve on corporate boards in Texas and beyond.

BOARD OF DIRECTORS NETWORK

www.boarddirectorsnetwork.org info@boarddirectorsnetwork.org
 PO Box 550627 • Atlanta, GA 30355 • 770-489-6689

The Board of Directors Network, founded in 1993 in Atlanta, Georgia, is a research and advisory organization with the mission "to increase the number of women in executive leadership and on corporate boards of directors". BDN is comprised of women and men representing boards of directors, corporations, government agencies, academia, the legal and financial professions, not-for-profit organizations, and the media.

THE BOSTON CLUB

www.TheBostonClub.com info@thebostonclub.com
 PO Box 1126 • Marblehead, MA 01945 • 781-639-8002

The Boston Club, founded in 1976, is an organization of more than 500 senior executive and professional women that promotes the advancement of women in business and the professions. It provides personal and professional development programs, conducts research on issues affecting women in business, and works to increase the participation of women on corporate and nonprofit boards.

CABLE

www.nashvillecable.org na_cable@bellsouth.net
 PO Box 23148 • Nashville, TN 37202 • 615-269-7489

CABLE is Tennessee's largest and most established network of diverse professionals committed to connecting women and opportunity. With over 500 members and a 30-year history, CABLE meets members where they are and provides them with resources to grow their businesses, build their careers, achieve highest levels of leadership, serve their communities and develop their unique talents and strengths.

THE CENTRAL EXCHANGE

www.centralexchange.org ellen@centralexchange.org
 1020 Central Street • Kansas City, MO 64105 • 816-471-7560

The Central Exchange was formed in 1980 to promote the personal and professional development of women with emphasis on leadership training. It has more than 1,000 members from throughout the Kansas City metropolitan area. The Central Exchange presents personal and professional development programs almost daily at two locations in the area, as well as an annual one-day women's leadership conference and an intensive, one-year development program for emerging women leaders.

THE CHICAGO NETWORK

www.thechicagonetwork.org a.osler@thechicagonetwork.org
 211 East Ontario, Suite 1700 • Chicago, IL 60611 • 312-787-1979

The Chicago Network is an organization of Chicago's most distinguished professional women. Now in its 31st year, The Network creates empowering relationships for women leaders that enable its members to increase their impact on their organizations and the community at large through peer networking, mutual support and issue awareness. Today, it more than 400 members are the leading women of Chicago's business professional, cultural, nonprofit and educational communities.

FINANCIAL WOMEN'S ASSOCIATION of NEW YORK

www.FWA.org Fwaoffice@fwa.org
 215 Park Avenue South, Suite 1713 • New York, New York 10003 • 212-533-2141

Founded in 1956, the Financial Women's Association (FWA) is a leading executive organization of over 800 women and men committed to shaping leaders in business and finance with a special emphasis on the role and development of women in business and in boardrooms. The FWA serves its members through educational programs and networking opportunities, and serves the community through its nationally acclaimed scholarship, mentoring and training programs.

FORUM for WOMEN ENTREPRENEURS and EXECUTIVES/UNIVERSITY of CALIFORNIA DAVIS

www.fweande.org info@fweande.org
 2475 Hanover Street • Palo Alto, CA 94304 • 415-706-0395

The Forum for Women Entrepreneurs & Executives, founded in 1993, is a membership organization of over 500 experienced women leaders in the San Francisco Bay area. FWE&E is the center of leadership excellence for accomplished women from a wide range of disciplines and industries who build meaningful relationships, exchange ideas, and openly share their collective wisdom with each other. To measure California's advancement of women on public boards, FWE&E has formed an alliance with the University of California Davis Graduate School of Management, who conducts an annual census of leading California companies.

THE FORUM of EXECUTIVE WOMEN

www.forumofexecutivewomen.com info@forumofexecutivewomen.com
 1231 Highland Avenue • Fort Washington, PA 19034 • 215-628-9944

The Forum of Executive Women, founded in 1977, is a membership organization of more than 350 women of influence in the Greater Philadelphia region with our members holding top positions in every major segment of the community. As the region's premier women's organization, we actively work to promote our mission to leverage the power of executive women in the Greater Philadelphia region to expand the impact and influence of women leaders.

INFORUM CENTER for LEADERSHIP

www.inforummichigan.org tbarclay@inforummichigan.org
 Orchestra Place • 3663 Woodward Ave, Suite 4-1610 • Detroit, MI 48201-2403 • 313-578-3230
 Inforum Center for Leadership accelerates careers through unique leadership development programs that allow women to challenge themselves, take risks, and reach the next level. The Center also conducts and publishes research on women's leadership influence in Michigan, and facilitates the placement of women on corporate boards. Inforum is one of the largest and most prestigious statewide business forums in the nation, with over 2,000 members from a broad cross-section of Michigan's business community.

MILWAUKEE WOMEN inc

www.milwaukeewomeninc.org info@milwaukeewomeninc.org
 2745 N. Dr. Martin Luther King Jr. Drive • Milwaukee, WI 53212
 Milwaukee Women inc, founded in 2002, is the collaborative effort of Milwaukee area executive and professional women seeking to accelerate the advancement of women in key leadership roles and in doing so change the face and quality of leadership. Steering committee participants include representatives from Milwaukee's leading women's professional organizations, as well as corporate, nonprofit and academic leaders.

MINNESOTA WOMEN'S ECONOMIC ROUNDTABLE

430 Oak Grove, Suite 101 • Minneapolis, MN 55403
 Minnesota Women's Economic Roundtable is a forum for high-profile women leaders to gain knowledge of cutting-edge economic issues, discuss the implications of the economy on professional and personal lives, and contribute to the formation of economic policies. Membership in MWER is by invitation only and is limited to 110 active women leaders with varying career experiences and diverse personal characteristics, such as age, race and ethnicity. Membership includes women from large and small businesses, government, corporate and the non-profit sector.

NETWORK 2000

www.network2000md.org
 P.O. Box 22765 • Baltimore, MD 21203 • 410-783-8225
 In 1993, a group of Maryland women business leaders created Network 2000. Their mission was to assure leadership opportunities for qualified women, increase the number of women serving as directors on corporate Boards of Directors and educate the public on the benefits of having women in decision making positions. Today, its membership of 80 women and men continues to support the founders' mission through mentoring programs, research, community grants and education.

WOMEN EXECUTIVE LEADERSHIP

www.womenexecutiveleadership.com info@womenexecutiveleadership.com
 1267 Walnut Terrace, SW • Boca Raton, Florida 33486 • 561-395-4581
 Women Executive Leadership (WEL) advocates, educates and connects accomplished women. WEL is a not-for-profit organization whose primary purpose is to increase the number of women on corporate boards by recognizing and connecting accomplished women and further expanding their influence within their respective business communities. WEL's membership is reflective of executive women of diverse businesses in Florida.