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HUMAN CAPITAL ARBITRAGE

Human Capital Arbitrage Is About Recruiting People That Create Disproportionate Economic Value

Arbitrage — is the practice of taking advantage of a state of imbalance between two or more financial markets: a combination of matching deals are struck that exploit the imbalance, the profit being the difference between the market prices. A person who engages in arbitrage is called an arbitrageur. The term is mainly applied to trading in financial instruments.

Human capital arbitrage — is the practice of recruiting and leveraging human capital (talent) that have a track record creating a disproportionate impact on value creation. Companies recruit high-impact talent to drive organic growth, improve earnings per share and increase market capitalization value.

Winning companies have figured out how to arbitrage human capital by developing privileged access to appropriate world-class talent. All companies face challenges managing varying growth rates across their portfolio of products/services in the markets they serve. HR executives (including internal corporate recruiters) at even the most sophisticated companies often lack the experience and knowledge required to understand the economic levers to frame value creation and how to identify and attract relevant talent with pin-point accuracy, quickly and discreetly. Human capital arbitrageurs earn their weight in gold — when HR departments fall behind and can't deliver talent needed to achieve management's growth objectives— by identifying and recruiting high-impact talent that are skilled at developing new sources of growth more successfully than what is already on the company's bench. Human capital arbitrage is beyond the reach of garden variety recruiting firms. Celera Partners' human capital arbitrageurs specialize in gaining access to elite talent worldwide — individuals with stunning track records of success. The firm's human capital arbitrageurs excel at identifying market opportunities arising from imbalances between companies competing for market leadership and attracting the best talent to drive growth initiatives.

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Sales/Marketing Arbitrage— Drive Organic Growth By Embracing Best Practices For Sales/Marketing Management

Two Fortune 50 companies we know well are looking to find ways to improve their go-to-market models. They have approached us because during 2003-2004 we were involved, on the ground floor, with truly ground breaking cutting edge work helping SAP build a Value Based Selling (VBS) capability. Subsequently, and to our knowledge we are the only executive search firm to do so, we developed a dedicated VBS Specialty Practice.

During the past 13 quarters, SAP America has sustained a 93% sales success rate, dramatically increased deals in the pipe line, accelerated the sales cycle while decreasing SG&A costs. SAP America's VBS capability has helped SAP create an additional \$55 billion of market capitalization, with value growing from \$10/share in October 2002 to \$54/share by end of March 2006. The market has generously rewarded SAP because their VBS go-to-market model is seen as creating durable shareholder value built upon a difficult to copy VBS capability that is highly differentiated and resists commoditization. SAP America is on track to grow revenue by 600% in less than 5 years.

One of the nation's premier health care providers is seeking to sustain its market leading position. Senior management believes

their b2b and b2c go-to-market models are out of step with the realities of today's hyper-competitive market place. We are helping them build a robust sales/marketing capability lead by sales/marketing leaders with proven track records of success producing and delivering customer centric products and solutions that are perceived by customers as creating value for them.

The second Fortune 50 company has approached us to help them build a VBS capability similar to SAP. While the company is arguably one of the world's best run technology companies, part of their business model is shifting from channel partners to b2b. For the first time, they are struggling to meet their growth objectives. Senior management understands that selling b2b with a direct sales force is not part of their company DNA. They are looking to find top sales, marketing, and strategy talent that know how to leverage external partners, excel at cross selling/up selling, collaborate across business units to drive organic growth, and above all else, understand how to position their products and services in a compelling manner. This means, understand customers business issues and create strategies to satisfy customers needs and expectations.

The company is motivated to build a world-class VBS capability and our human capital arbitrageurs know precisely what they need and how to jump-start their VBS capability.

2

Super Charging a Consumer Products & Goods Practice (CPG)

Two leading global Systems Integration (SI) houses compete head to head with their CPG practices in the rapidly growing retail sector. One has started to lose important strategic market share to the other competitor. It is common for both SI houses to work for many of the same clients simultaneously. With IT budgets ranging from 2-5% of total annual revenue, these two SI companies are looking to earn billions of dollars from large-box retailers during the next 5-10 years. The stakes are big. Competition will be fierce—the coming Retail Wars will be a take no prisoners environment—with the lion's share of the business dominated by relatively few SI firms.

SAP Retail — Future Growth Engine

In 2006, SAP America is looking to sell \$200 million of retail SW licenses. This unprecedented level of SW license sales is important because the retail sector has traditionally been highly fragmented (serviced by small IT vendors) with 60-80% of retail SW applications being home built. This means, as Alexis Falquier, a former McKinsey Director was fond of saying, "there's a lot of gold in them hills." In order to get the lion's share of business from retailers, SI houses will need to quickly develop deep subject matter expertise around SAP solutions (all of which is brand new and SI houses have not yet developed this expertise), learn to exploit alliances by collaborating with SAP and key players in the SAP ecosystem.

Solution— Jump Start Growth Via Human Capital Arbitrage

SAP is emerging as the de facto industry software standard for the red hot retail sector. In the past two years, SAP acquired Trilogy and Khimetrics to round out their Retail solutions, built a super strategic prototype relationship with HomeDepot that it is leveraging as a footprint to expand into the retail industry. One competitor is rapidly outpacing the other competitor in the Retail Industry: in the past two years it has won five (5) times more SI business from HomeDepot and once HomeDepot implements all of SAP's "Core Retail" solutions throughout its 2,000 stores future business could get considerably bigger. At this rate, the new incumbent will displace the competitor. At Pepsi, the more successful competitor has already earned \$100 million (they are still only in blue printing) and they are likely to get \$1 billion from Pepsi during the lifetime of the relationship.

Using Celera Partners Human Capital Arbitrage — rapidly identify and attract the best SAP talent, individuals that are critically needed to help capture the lion's share of SAP SI retail deals. Arbitrating this talent can super charge a CPG practice because:

- As SAP experts, they know how to market and develop a better business case for SAP Retail Solutions (content & IP)
- They know how to navigate the SAP ecosystem (internally and externally with client prospects) to drive and win important deals

3

CIO Arbitrage— Embracing Current IT Best Practices To Reduce Cost, Drive Growth And Compete More Preemptively

A Fortune 500 is looking to hire a new Chief Information Officer (CIO). In spite of the company's storied success, negative trends indicate that IT had not been properly leveraged. In the past, the CIO function was tactically focused had limited powers and the position reported to the CFO. Recognizing that continued future success depends on embracing best IT practices, the company is seeking to recruit a high-impact CIO.

The new CIO, reporting to the CEO, must have a track record of success leveraging IT capabilities that enable key business objectives such as revenue growth, increased profitability, productivity and cash flow gains.

CIO Arbitrage Focused On Enabling Value Creation

Find IT talent that specialize in IT transformation, cost reduction, IT and business strategy alignment, application portfolio simplification and above all effective IT governance models. Identify and attract current thought leaders and practitioners capable of achieving end-to-end business process integration, instance consolidation management programs and project management.

The company will be well positioned to compete more aggressively by recruiting a CIO with a track record of success focused on improving process standardization issues, achieving efficiencies around timely accurate information, risk and compliance, optimal cost structure and improved collaboration issues, improving time to respond issues such as accelerate change initiatives and take advantage of market opportunities.

Celera Partners Human Capital Arbitrage —

Whether you are looking to build sales/marketing organizations that demonstrate mastery at managing and promoting the elements of your company's value proposition, or high-impact talent that can lead and facilitate the transfer of knowledge, expertise and skills necessary to deliver timely and growing revenues, or IT executives that can enable business strategies and operational excellence, Celera Partners' human capital arbitrageurs can have a significant impact helping your company achieve these and other strategic growth initiatives.

Celera Partners is a premier organizational strategy and retained executive search firm comprised of top tier strategy consultants, executive search professionals and software technologists. From offices in New York, Philadelphia, Chicago, Dallas, San Francisco, London, Brussels and Madrid, the firm specializes in providing Value Based Selling go-to-market strategy and recruiting services for industry leaders in IT (hardware/software), Telecom/Datacom, Communications-Media, Consumer Products & Goods, Financial Services, Industrials and Life Sciences. Celera's strategy and executive search consultants have deep domain expertise advising and building senior level general management and technical leadership teams across all functional areas.