

Topics

from THE ONSTOTT GROUP

Aspen Technology: Improving Operational Performance

Aspen Technology, Inc., is a leading supplier of software and services to the process industries. With revenues of over \$320 million, it is the second largest software company in Massachusetts. The company serves over 1,500 process industry companies in 60 countries. Driving to improve the complex processes that are critical to process manufacturing companies, AspenTech enables customers to increase their profitability and optimize their business performance.

The performance challenges facing their customers are not unlike those that AspenTech itself has addressed. Having acquired a number of companies, AspenTech had incurred significant debt. The company was coming off a series of quarterly losses, had longer-term cash issues to face and the Federal Trade Commission was conducting an investigation of a recent acquisition. Management was faced with restoring and building shareholder value and removing concerns surrounding the financial condition of the company.

As this was going on, the company's Chief Financial Officer had been seeking an appropriate time to leave the company having previously stated the desire to do so. In the face of that and the financial challenges facing the company, The Onstott Group was selected to conduct a search to recruit a highly experienced Chief Financial Officer. Ben Beaver, who has had much success in recruiting CFO's for both public and private

companies, brought the assignment to successful completion with the hiring of Chuck Kane. Chuck brought a wealth of financial and managerial experience to AspenTech, as well as extensive software industry knowledge. Previously, Chuck had served as Chief Financial Officer for Informix Software, Ardent Software and, most recently, as CFO and then Chief Executive Officer of Corechange, an enterprise software company.

In June 2003, AspenTech entered into an agreement with Advent International, a leading global private equity firm, which invested \$100 million in the company. Since then, with Chuck as CFO, the company has turned their full attention to focusing on the execution of their business strategy to deliver sustainable,

profitable growth for shareholders. AspenTech has made significant progress in improving its own operational performance and financial condition. The company has worked diligently to refocus and streamline operations, implement significant structural changes, and better match spending with revenues. In a recent press release dated January 22, 2004, Chuck was quoted as commenting that the company has "made measurable improvement in almost every aspect of (our) financial performance, both sequentially and on a year-over-year basis. Our reduction in operating expenses and a more favorable revenue mix drove an improvement in operating margins this quarter."

We look forward to following the company's progress.

O n s t o t t



Industry Briefs

BOARD OF DIRECTORS APPOINTMENTS

Michael Gallagher, President of Flarion Technologies, has been appointed to the *Enterasys Networks, Inc.* Board of Directors. Mike brings to *Enterasys* over 17 years of experience in management, sales and marketing at leading telecommunications companies. Prior to his role at Flarion, Mike was Senior Vice President for Worldwide Sales and Operations for Nortel Networks' IP Services business unit, where he built a global sales force of over 300 sales executives and systems engineers, and reached a \$200 million revenue goal in less than 15 months. Mike joined Nortel from Bay Networks where he served as Senior Vice President of the company's North American Sales Operations.

Avici Systems, Inc., a leading provider of purpose-built carrier-class routing solutions for the Internet, announced that **Bill Ingram** has joined the company's Board of Directors. Bill is currently serving as the President and CEO of Nuera Communications, a provider of Voice-over-Internet Protocol (VoIP) infrastructure solutions. Prior to Nuera, Bill was Chief Operating Officer of PCSI-Clarity Products Division, President of Ivie Industries, a computer security and hardware manufacturer, and President of KevTon, an electronics manufacturing

company. He received his Bachelor of Arts degree from Stanford University and his M.B.A. degree from the Harvard Business School.

In an earlier press release, *Avici Systems, Inc.* announced that **Robert P. Schechter** has also joined the company's Board of Directors. Bob is currently Chairman, President and CEO of NMS Communications, Inc. Prior to joining NMS, he spent eight years at Lotus Development Corporation as Senior Vice President of Finance and Operations and Chief Financial Officer, and, most recently, as Senior Vice president of the International Business group. Prior to joining Lotus, Bob was a partner with Coopers & Lybrand in Boston. Bob also sits on the Boards of Moldflow Corporation and MapInfo Corporation and is also a member of the Board of the Massachusetts High Tech Council and Chairman of the Massachusetts Telecommunications Council.

COMPUTERS, SOFTWARE AND SYSTEMS

IMlogic, a pioneer in delivering enterprise-class infrastructure software for Instant Messaging (IM), has appointed **David McFarlane** Chief Operating Officer. In his role as COO, Dave will develop and implement the company's global sales, marketing and service strategies. Dave has a successful record of building and managing

software companies through IPO's to billion dollar market capitalizations. He was most recently President of one of Massachusetts's fastest growing public companies, Exchange Applications Inc., recently acquired by AMDocs.

Mercury Computer Systems, Inc., the leading supplier of embedded high performance digital signal and image processing computer systems, has appointed **Craig A. Saline** as Vice President, Organization Development. Craig, a 23-year human resources veteran of global manufacturing and technology companies, will be responsible for all human resources strategies and programs. He has extensive experience in technology, consumer products and healthcare industries with specific expertise in change management, team development and business process improvements. Craig most recently served as Interim Vice President, Human Resources for Tufts New England Medical Center.

Robert E. (Bob) Hult has also joined *Mercury Computer Systems, Inc.* as Chief Financial Officer. Bob brings a wealth of experience in corporate finance and operations. He will be responsible for directing *Mercury's* financial planning and accounting practices as well as the company's relationship with leading institutions, shareholders, and the financial community. Most recently, Bob

held the position of Chief Financial Officer and Treasurer at NMS Communications.

Congratulations to **Joan Lockhart** who was appointed Vice President of Marketing at *VFA, Inc.*, the leading provider of software and services for facilities management and capital planning. As Vice President of Marketing, Joan will drive the company's positioning, strategic communications, demand-generation initiatives and partner programs. Joan brings over 20 years of high-technology marketing and sales expertise to *VFA*. Most recently she was Director of Enterprise Marketing for the Americas at RSA Security.

TELECOMMUNICATIONS

Congratulations to **Thomas C. (TC) Browne**, who has been named Chief Executive Officer at *Gold Wire Technology, Inc.* Previously an executive with Sony Electronics and GTE Networking/BBN, Browne served as CEO at network services provider NaviPath, Inc. and, at software infrastructure company Next-Nine, Inc. *Gold Wire Technology* develops, sells and supports multi-vendor network configuration control solutions for Fortune 1000 enterprises, federal government agencies, and service providers.

Jerry Stabile also joined *Gold Wire Technology, Inc.*, as Vice President of Sales. Most recently, Jerry was CEO of Bluejavelin, Inc.

A View from the Top

by Joe Onstott

Prior to Bluejavelin, Jerry was Vice President Worldwide Sales and Service at NetScout.

Lavastorm Technologies, Inc., a leading provider of revenue assurance and cost management software to the telecommunications industry, has appointed **Tom Takesian** Vice President of Sales. Tom brings a successful history of selling to communications service providers. Most recently, he was Vice President of Sales for Broadmargin, Inc., in Fairfax, Virginia.

John McDermott has joined *Avici Systems, Inc.*, as Area Vice President. In his new role, John will manage and execute the overall sales strategy and plan for the Eastern region. John brings over 15 years of sales and management experience, most recently as Managing Director, Eastern Sales Region for Redback Networks in Short Hill, New Jersey. *Avici* is a leading provider of scalable and reliable core routing systems for the Internet.

PROFESSIONAL SERVICES

Access General, an Atlanta-based property and casualty insurance company, announced that **Don Johnson** has joined the company as Controller. Previously Don was Southeast Financial Division Manager at Allstate Insurance, where, for two years in a row, he was ranked #1 out of Allstate's fourteen divisions.

The retained executive search industry is often viewed as a leading economic indicator, and I've been asked recently, "How's business?" Well, I'm here to say that we have survived the longest recession in our company's history. As a matter of fact, we haven't only survived, but we've done so successfully. Over the past year we have built a very efficient research organization, upgraded the look and feel of our promotional materials and our website, and completed thirty-eight search assignments.

Our recent assignments have ranged from CEO of an early revenue stage venture capital-backed company to President of a \$500 million turnaround. The Onstott Group moved from #9 to #8 in *Boston Business Journal's* list of the "Area's Largest Executive Search Firms", published in the February 6-12, 2004 issue. Now, with the economy on the up-tick, we are staffed and ready to provide the same high quality of executive search services on which we built our 18-year reputation.

Let us hear from you, our clients, candidates and friends.

NEW FACES & PROMOTIONS AT ONSTOTT

Jeff Leopold, who joined the firm in May 2001 as an Associate, has been promoted to Vice President. During his tenure with The Onstott Group, Jeff has made a significant contribution to our firm, having completed work for companies including Authoria, Gold Wire Technology, Granite Systems, IMlogic, and IONA Technologies.

Prior to joining The Onstott Group, Jeff was a Vice President at NetVentures, an early-stage venture capital firm. Earlier in his career he was Director of Business Consulting at Sapient, a Practice Director at the Yankee Group, and a Product Manager at Microsoft.

Jeff has a B.S. in Management Information Systems from The State University of New York at Albany, and an M.B.A. from the University of Michigan Business School. In Jeff's free time, he enjoys skiing, tennis, cycling, but nothing more than amusing his two young children.

Pat Campbell, a Managing Director of The Onstott Group, has become a member of The Boston Club. Founded in 1976, The Boston Club is the area's largest organization for executive and professional women. The Boston Club provides a forum for business, professional, and community leaders to meet, network, offer mutual support, grow professionally and collectively assert influence in their communities.

We are very pleased to welcome **Amy Goldberg** to The Onstott Group as Administrative Assistant. Prior to working in executive search, Amy spent nearly six years working as a client service associate at Lander & Associates, a life insurance agency specializing in corporate owned executive life benefits for Fortune 100 companies. Before her tenure in the life insurance business, Amy worked in her family's coupon advertising company, which provided advertising space to local retailers on supermarket receipt tapes.

Amy grew up in Wellesley and currently resides in Allston. In her free time she enjoys testing her creativity in the kitchen, playing golf, and traveling.

World Search Group News

The Onstott Group is pleased to welcome the most recent addition to our strategic alliance of search firms around the globe. The firm of Somers & Cavelier, LLC, located in Moscow, has recently joined, bringing our alliance to a total of 27 firms in 20 countries. The principal of the firm, Marina Somers, had previously run the Heidrick & Struggles office in Moscow. Her firm represents a number of blue chip Western companies operating in Russia and the Confederation of Independent States.

The addition of capability and reach into Russia, and the CIS, broadens the coverage of The World Search Group, which over the past three years has added several strategic partners in the Asia/Pacific region. We would be pleased to make the appropriate introductions and assist with any senior hiring needs outside the United States.

• • •



The Winning Foursome in 2003 (l-r): Tom Palka, Lew Jaffe, Paul Severino and Paul Ferri.

SAVE THE DATE

THE 19TH ONSTOTT INVITATIONAL GOLF TOURNAMENT

Proceeds to benefit the American Cancer Society and the Cam Neely Foundation

MONDAY, AUGUST 9, 2004

Woodland Country Club • West Newton, MA

The Onstott Group serves clients with retainer-based executive search within technology, telecommunications, financial and professional services, consumer products, venture capital, and high growth companies. We invite you to visit our web site at www.onstott.com.

The firm is a member of the Association of Executive Search Consultants, the premier professional association representing search firms worldwide. Its mission is to maintain and enforce the highest professional standards in executive search.

The Onstott Group is also a member of The World Search Group, an alliance of 26 experienced independent executive search firms located in 21 countries. Through this affiliation we provide global reach to our clients.

*Topics is a publication of The Onstott Group
60 William Street
Wellesley, MA 02481-3806
Phone (781) 235-3050
Fax (781) 235-8653
www.onstott.com*

To receive this newsletter electronically in the future, please send an e-mail to: newsletter@onstott.com

