

## **CATHERINE S. LEGGETT -- Nomination Summary**

### **The Situation and the Challenge (Criterion 1)**

When Catherine Leggett was hired in April 2000, TC Advertising stood as one of the country's leading advertising and printing companies, providing targeted advertising and other printed products for nearly 700 leading retailers and more than 300 of the most widely circulated newspapers. TC Advertising at the time had approximately 5,000 employees. In early 2000, just as Catherine joined our company, we articulated a Vision and Mission to move from the company's individual process focus to providing total advertising solutions for our customers. We defined a Corporate Vision and identified the Core Values necessary to accomplish this change and to instill a company-wide culture based on integrity, respect for all people, and commitment to our customers. Less than three months after Catherine joined TC Advertising, the size of our company doubled and the complexity of our task increased geometrically. The operating units of the former NYSE company known as Big Flower Holdings were merged and placed under our management team's leadership. We renamed the company Vertis (the center two syllables of the word *advertising*). The headquarters of this 10,000 employee international company was moved from New York City to the former TC Advertising headquarters in Baltimore. The three operating companies of Big Flower (TC Advertising, Webcraft Technologies, and Laser Tech Color) and some 27 acquisitions under Big Flower Holdings in the US and United Kingdom that now comprise Vertis were to be integrated to form a single company that would become a powerful customer-focused advertising solutions company. Then, less than two quarters after the formation of Vertis, the US experienced the worst year-over-year decline in advertising since the Great Depression. Despite the challenges of the integration and the declining advertising market, Vertis has successfully launched the new company, and its Vision and Core Values are well on the way to full implementation.

### **Cultural and HR Transformation (Criterion 2)**

I am nominating Catherine for the two interdependent and mutually reinforcing program efforts she has led from April 2000, when she was brought on board, through the present.

The first is the Cultural Transformation Program. Within days of taking responsibility for Human Resources, Catherine provided the executive team with a Transformation Action Plan for a rollout and of the new Vision and Core Values through a series of face-to-face meetings with the management teams throughout the company. It also called for baseline measurements as a basis for identifying and addressing gaps between where we were and where we wanted to be. Training, communication, reinforcement and feedback programs followed these initial efforts to sustain the transformation process.

The second is the HR Transformation Program. Catherine inherited a largely decentralized and widely dispersed HR organization that largely functioned within separate and independent regional and division businesses. To support the change in business direction and restructuring, she strengthened the HR corporate staff, refocusing their efforts on providing value-based services and expertise to the field HR staff. She also initiated communication and team building processes through the HR community.

The following section highlights her accomplishments in both of these areas.

### **Accomplishments (Criterion 3)**

The Cultural Transformation Program included the following interrelated initiatives:

- The Mission, Vision and Core Values rollout began with a series meetings conducted by Catherine and me, accompanied by other senior executives, with the management staff of all TC Advertising divisions, and following the restructuring, with the rest of the company. We introduced and committed to achieving the new Vision, Mission and Core Values, outlined goals and plans, and asked for suggestions and feedback.
- A *Cultural Assessment Survey* obtained employee views on our strengths and weaknesses and identified gaps in training, communication, employee relations and management practices.
- A *360-Degree Development* program—beginning with corporate and division executives and

expanded to the business unit level—also served to initially identify skill deficiencies on an individual basis as well as provide ongoing feedback to mark progress in addressing these gaps.

- Both the survey and 360-feedback were used to design an in-house *Value-Based Leadership (VBL) Training* program that included eight half-day training modules covering topics such as leadership in a team environment, improved listening and communication skills, and conflict management.
- A *Vertis Improvement Process (VIP)* program, which draws on the principles of VBL, Situational Leadership and QIP process management, was supported by HR, providing the training to improve the managerial performance of supervisors, press, and maintenance leads by teaching them the fundamentals of benchmarked operational metrics.
- Finally, a series of communications initiatives have been put in place to inform employees of our progress and solicit their feedback and participation including: my monthly “Letter from the Chairman”; monthly telephone broadcasts; an “Ask the Chairman” link on the company Internet and Intranet sites; and placing suggestion boxes in each division.

The cultural transformation and restructuring necessitated the parallel HR restructuring led by Catherine. In addition to the outlined above, Catherine’s accomplishments include:

- Assembling and leading a corporate HR staff that could design and upgrade centralized HR programs and put in place the process infrastructure for consistent and cost-effective implementation across and at all levels of the integrated businesses.
- Developing and communicating an HR Vision and Mission that fully supports the business and its cultural transformation, through HR working as an equal partner with senior management and serving as a guardian of our Core Values.
- Building a single more cost-effective health and welfare platform for the entire business to replace the existing medical, dental, vision, life insurance, short and long-term disability and flex spending programs that existed as nine separate programs under separate contracts with providers.
- Redesigning executive compensation plans including deferred compensation, long-term disability, retirement income, and supplemental executive retirement.
- Establishing a new performance evaluation form that reflects the Core Values and management input.
- Improving recruitment and orientation of new hires including web-site posting, recruiting source guides, and a new-hire orientation program, documents and forms.
- Improving HRIS by upgrading PeopleSoft administrative modules and providing user training.
- Improving HR corporate staff communications with and support of the business unit, group and division staff through: biweekly conference calls to share information, answer questions and address concerns; a centralized form and publication fulfillment center; an HR Intranet site providing online access to company policies, programs and initiatives; an updated and improved corporate directory; and an Employee Handbook, written in both English and Spanish, that includes our Vision and Values and explains various company policies, practices and programs.

#### **Employment History (Criterion 4)**

Catherine joined TC Advertising in April 2000 as the SVP/HR and continues to hold this position for Vertis. She has over 20 years of experience in the HR field with expertise in organizational effectiveness, employment, employee relations, performance management, training and development, labor relations, compensation and benefits. She has extensive experience in building human resources departments and working with decentralized divisions.

She has held senior-level positions with the following Washington area businesses: SVP/HR, PG&E Generating Company; VP/HR, Federal Home Loan Mortgage Corporation; and SVP/HR with Hechinger Company. Hechinger was recognized as one of the top 50 companies for American Women to Work during her tenure.

Catherine has a law degree from Howard University and is a member of the Bars for the District of

Columbia and Iowa as well as the U.S. District Court for the District of Columbia. She is also a professor at the Johns Hopkins University Graduate School and a task force member for the Washington Board of Trade. The attached resume provides additional details.

### **Significance (Criterion 5)**

Beyond the sheer magnitude of these accomplishments—within a timeframe that met our needs—the most significant and long-lasting contributions from my perspective as CEO are as follows:

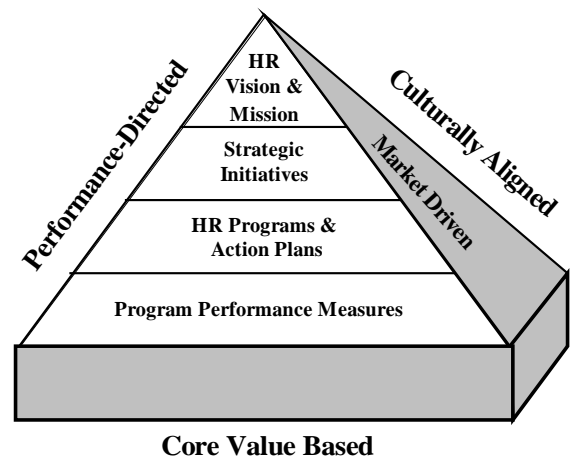
- Human capital is pivotal to our company’s overall success. We must be cost effective to remain competitive. At the same time, we must differentiate our company’s products and services through quality client relations, so our customers truly see us as strategic partners. To do so, people are the key.
- Catherine was able to elevate HR management to a strategic level—the place it rightly deserves in a people-sensitive business such as ours. She established an oversight forum as a member of the senior management team that allowed us to design and implement HR programs consistent with the changes our Vision requires, and the realities of the difficult marketplace.
- The vehicle she used to cultivate this relationship was the cultural transformation program. She succeeded by translating *statements* of vision and values into concrete terms and systematic actions—something tangible and familiar that action-oriented executives can understand and effectively address. This relationship and approach then proved essential for executive-level decisions regarding the numerous HR improvements and initiatives outlined above. This relationship and forum in support of the people of Vertis will continue to provide value as we move forward into an ever-changing world.

### **Attributes Demonstrated (Criterion 6)**

Catherine’s accomplishments have demonstrated excellence in literally every attribute you have identified on your criteria. However, I want to emphasize three in particular.

*Strategic Business Partnership:* As described above, the relationship that Catherine has built with our senior leadership in many ways exceeds this standard as defined. In addition to program alignment, the partnership with HR will continue to serve as an ongoing forum for monitoring and adjusting HR programs as an integral part of our strategic direction.

*Creativity and Innovation:* This attribute has been central to building a strategic partnership. Catherine’s innovative and persuasive support of the cultural transformation program allowed us to understand often-vague notions of “value” and “culture” in concrete, identifiable, and manageable terms—*what* employee, organizational, and social values are, *where* they can be identified, *how* they can be aligned, and *why* they are important. The figure at the right is just one example of this innovation. It is being used to convey our Vision and Core Values’ combination of value-based, performance-directed, and market-driven themes. We have used this graphic visualization throughout the company to explain and promote our cultural transformation. It also is an effective device to communicate how at every level of a performance-directed process (face of the pyramid), there is an opportunity to shape the value-driven imperatives needed to transform our culture.



*Change Management:* Finally, Catherine’s mastery of change-management concepts and her experience in applying these concepts enabled her to assume a leading role in achieving our ongoing cultural transformation. As explained above, this in turn, was the basis for building the strategic partnership that continues to exist with me and our other senior executives.