



ODX

presents **2009 Outstanding Director**

William V. Campbell

Campbell has masterfully molded a winning board, culture and strategy at **Intuit**.

DIRECTOR'S SNAPSHOT

Born

August 31, 1940, in Homestead, Pa.

Education

BA and MA from Columbia University (He currently chairs the Board of Trustees.)

Career Highlights

Coached football for 12 years; account manager at J. Walter Thompson; general manager at Kodak; EVP at Apple; founder and CEO of Claris; founder and CEO of Go Corp.; Chairman and CEO of Intuit

Family

Wife Roberta, son Jim, daughter Maggie

Hometown

Palo Alto, Calif.

Most admired historical figure

Franklin Delano Roosevelt

Most memorable summer job

Working for U.S. Steel in Homestead, Pa.

Best book this year

Until Proven Innocent: Political Correctness and the Shameful Injustices of the Duke Lacrosse Rape Case by Stuart Taylor and KC Johnson

All-time favorite movie

The Deer Hunter

Favorite charity

Steel Valley School District

Idea of bliss

A good night's sleep

Favorite saying

"My favorite one is off-color."

Public Directorships

Apple, Intuit



Bill Campbell at a ball game with his son Jim and an old friend.

Unconventional Wisdom: Bill Campbell

Bill Campbell has a long history of helping people be their emotional and intellectual best. His efforts have greatly strengthened organizations and enriched shareholders. As chairman of Intuit and co-lead director at Apple, Campbell's approach sometimes challenges corporate governance conventions. But there is no question: It gets results.

Conventional wisdom says that ex-CEOs should leave the board so new CEOs can properly establish their authority. But Intuit, under Campbell's chairmanship, has proven that former CEOs with tremendous knowledge of and passion for the business add value without undermining management. Intuit has three former CEOs on the board including Campbell. The others are founder Scott Cook, whom Campbell succeeded in 1994, and Steve Bennett, who was CEO from 2000 until being replaced by his mentee and current CEO Brad Smith in 2008.

Conventional wisdom says too many sitting CEOs on one board puts the company at risk, owing to insufficient time to devote to board business and excessive empathy with management. But, as co-lead director at Apple, Campbell feels that having CEOs who run some of the best businesses in America has been tremendously beneficial to shareholders. "Steve and I have a strong bias for operators," he says of building the Apple board with chairman and CEO Steve Jobs, who is also a neighbor and close friend.

Combining star power with horsepower, Apple's board includes four high-profile chairman/CEOs — Google's Eric Schmidt, J. Crew's Mickey Drexler, and Avon's Andrea Jung in addition to Jobs — and Al Gore to boot. Art Levinson was a fifth sitting chairman/CEO on the Apple board until Genetech was acquired by Roche in March 2009.

Both Intuit and Apple are massively suc-

cessful companies in brutally competitive industries. Fellow directors from both companies give Campbell the lion's share of the credit for keeping their boards pulling together in the right direction. So why does "Campbell logic" defy the odds?

Retired Intuit director and longtime Campbell mentor Burt McMurtry believes it boils down to Campbell's gift with people. "Everyone I know cherishes time spent with Bill," he says. "He feels deeply, which makes people shed their defenses and solve problems."

Fellow Intuit director Ed Kangas, retired chairman and CEO of Deloitte Touche Tohmatsu, calls it Campbell's "disarming connection with people... He tills the emotional soil beautifully, helping everyone grow together," he says.

Fellow Apple director Drexler adds, "Bill cares about the human side of business. Pretty rare in life, never mind Silicon Valley."

Even better, Campbell's Midas touch with people is complemented by his vast business experience and keen marketing instincts. These qualities shine through in his tight sense of business priorities, says Levinson, who is Campbell's co-lead direc-



ell Gets Results

tor on the Apple board. “Bill doesn’t waste time on the 11th most important thing. He attacks the top issue, wrestles it to the ground, and relentlessly goes after the answer,” he says.

A Succession of Successions

A Silicon Valley venture capitalist since 1969, McMurtry was on Intuit’s board when Campbell was recruited to replace founder Cook as CEO. McMurtry says Campbell and Cook made this perilous transition as well as he has ever seen it done. Five years later, he watched Campbell “transport himself seamlessly from CEO to chairman” when Bennett, a 23-year GE veteran, was named chief.

“Bill gave me tons of space, even moving his office out of headquarters,” Bennett reports. “But he also gave me air cover and was completely available and engaged when I needed him.”

After eight successful years, the board asked Bennett to step aside and promoted current CEO Smith from within. They also persuaded Bennett to remain on the board because “no replacement would have been as good,” says Campbell.

Under Campbell’s chairmanship — a role he took at Cook’s insistence after stepping down as CEO — Intuit has built tremendous momentum. Although five-year total shareholder return in excess of 20% is impressive enough, Campbell and the board are equally proud of eight consecutive appearances on *Fortune* magazine’s list of 100 Best Companies to Work For and the top slot on America’s Most Admired Company list in the computer software category for the past five years.

“Bill is all about winning the hearts and minds of our people,” says Smith. “He is especially passionate about making Intuit a great place for engineers.”

Campbell’s passion for his people has paid off in spades over the years. Smith’s favorite example is from 2006 when Microsoft was entering Intuit’s QuickBooks market. Intuit’s weary engineers had a long list of features that needed to be added to QuickBooks’ imminent release to stay on par with its new competitor. Time and energy were in short supply, and hitting the deadline looked doubtful. “Bill came in and gave one of his famous ‘hit the mattress’ speeches,” reports Smith. Reminiscent of a halftime scene from a football tearjerker, the fatigued engineers gathered around the Coach (who really did coach college football for 12 years) for the motivational talk of their lives. “In the remaining time, that team worked ‘round the clock, putting in all the features on our must-have list plus eight more,” Smith recalls with delight. In the end, Microsoft managed to win just 3% of the market, a figure that has since fallen below 1%.

Operators in Action

J. Crew CEO and fellow Apple director Drexler credits Campbell with managing the many strong voices on the Apple board. “Bill is a ‘get it’ guy. As a board, we never have any reason to worry that our views and concerns are not thoroughly considered. Bill just handles it,” asserts Drexler.

One example of why Campbell values top operators sitting on the board comes from Apple’s foray into retail. Campbell says Drexler’s retail expertise developed over two decades at Gap and J. Crew was invaluable as Apple planned and launched its first stores in 2001. A wildly successful brand extension, the company now has more than 250 stores in nine countries. Retail revenue in 2008 clocked in at just over \$6.3 billion, around 20% of total sales.

Another example comes from Genen-

tech, a devoted Macintosh enterprise. Campbell says Levinson's customer feedback has contributed mightily to defining and improving Apple's offering in the business sector. While penetration has remained low, this may all change as the iPhone competes for mobile device supremacy in a future where cloud-based services and Web-delivered applications make desktops far less important.

Always the master of process, Campbell still gets heavily involved in content at Intuit and Apple when invited. He relishes the buy-

six months of treatment and recovery. COO Tim Cook, longtime second in command at Apple, has temporarily taken over day-to-day operations.

Critics believe that the board's quest to protect Jobs's privacy comes at the expense of critical shareholder information. They are also clamoring for an official succession plan.

Campbell is confident that he and co-lead director Levinson have done everything "by the book," consulting outside counsel every step of the way. "If it was anyone else, I

"No one ever questions his motives, which creates a completely different level of trust."

Art Levinson, Former chairman and CEO, Genetech

versus-build and price-versus-feature debates and has what colleagues consider to be an uncanny sense for what will sell. He has been an integral part of game-changing innovations to Apple's product line, including the introduction of the iPod and iPhone, and has helped Intuit successfully expand into new territory like the professional tax preparation and industry-specific applications.

Amidst the many successes, Apple has come under fire. In 2006, the company was one of dozens to undergo investigation into options backdating practices, restating financials for a number of years. The SEC charged two former Apple employees with improper conduct but cleared the company in 2007.

More recently, governance critics have voiced objections to the Apple board's handling of Jobs's current leave of absence. After months of speculation about weight loss, a January 5, 2009 memo from Jobs disclosed a health issue that could be handled as he continued to run the company. A week later, a second memo contradicted the first, announcing that Jobs would withdraw for

don't believe health issues would have triggered an SEC investigation," says Campbell, frustrated by the criticism and defensive of the right to privacy he believes every individual deserves.

Apple's stock dipped 7% to around \$80 per share after the second memo came out but was trading near \$130 per share 16 weeks into Jobs's leave of absence, fueled by strong sales and exciting product announcements like iPhone OS 3.0.

Everyone who knows him agrees, Campbell never seeks credit for anything. In fact, he runs away from it. "No one ever questions his motives, which creates a completely different level of trust," says Levinson. At least one piece of conventional wisdom applies to Campbell: "There's no limit to what a man can achieve, if he doesn't care who gets the credit."

— Heather Wolf

Bill Campbell spoke about "What Makes an Effective Board?" at ODX San Francisco in March. For information on upcoming ODX events, please call 212.542.1255

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2009 Outstanding Directors

These six independent directors have been recognized by their peers as leaders who have gone above and beyond the call of duty, demonstrating judgment, courage and integrity while acting in the interests of shareholders.

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H. Raymond Bingham

William V. Campbell

Ursula O. Fairbairn

Jerre L. Stead

Douglas A. Warner III



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