



presents **2010 Outstanding Director**

## Jane E. Shaw

Shaw is everything a world-class director of complex global companies like Intel and McKesson should be: savvy, meticulous, dedicated and tough.

## DIRECTOR'S SNAPSHOT

### Born

February 3, 1939, in Droitwich, England

### Education

BSc and PhD at University of Birmingham; DSc at Worcester Polytechnic Institute

### Career Highlights

24 years at Alza, lastly as president and COO; seven years as chairman and CEO of Aerogen

### Family

Married to Peter Carpenter, one son, four grandchildren

### Hometowns

Atherton and Kyburz, Calif.; Worcestershire, U.K.

### Best book this year

*The Philosophical Baby*  
by Alison Gopnik

### All-time favorite movie

*A Man for All Seasons*

### Most memorable summer job

Caring for the children of the master of Pembroke College, Oxford

### Favorite charities

Habitat for Humanity;  
Village Enterprise Fund

### Idea of bliss

Gardening and spending time with my grandchildren

### What's your motto?

"Never put off until tomorrow what you can do today."

### Most admired historical figure

Winston Churchill

### Current public directorships

Intel, McKesson



*Jane Shaw with three of her grandsons in Italy.*

# Jane Shaw: Corporate Culture's Fearless

From a small farming town in rural England to the boardrooms of Fortune 100 companies, Jane Shaw's life has played out like a classic American success story. A dominant theme to the story, and what has made her an invaluable member of her boards, is her constant drive to learn and share what she has learned with others.

Having started her career as a research scientist, Shaw later dove into the business side of science and then into new industries as a corporate director, earning the admiration of her boardroom peers along the way.

McKesson chairman and CEO John Hammergren calls Shaw — the board's longest-serving director — "keeper of the corporate flame." He says, "Jane brings a wealth of institutional knowledge, which she freely shares with newer members."

"Jane is really the guardian of Intel's corporate culture, an important asset that is often overlooked," says Reed Hundt, a fellow Intel director and principal of Charles Ross Partners. "She embodies the spirit of the company and challenges it to be better."

After 16 years as an Intel director, Shaw became the company's first ever non-executive chairman in early 2009. The famously insular Intel had previously observed a four-decade tradition where the immediate past CEO served as chairman.

Upon her appointment as chairman, Shaw promptly installed herself in a 4x4 cubicle where she tries to spend at least one day a week. While the move reinforces Intel's notoriously egalitarian culture and flat management structure, she says her real goal is to deepen her understanding of the company's technology and operations. "It's been amazing to see the depth and the breadth of the talent and capability," she says. "Plus, you can look over, see who's celebrating a birthday and get dragged along

for a piece of cake."

"Jane is a very hands-on chairman," confirms Intel director Charlene Barshefsky, senior international partner at Wilmer Cutler Pickering Hale and Dorr. "She has an unusual combination of substantive skills and a genuine feel for the company and its people."

One of Shaw's early goals as chairman has been to get the company to open up a little bit and assess the future from different points of view. "Intel is very, very capable but reflexively insular," Shaw says. "As a sort of a play on 'Intel Inside,' we're now starting to ask, 'What's Intel outside?'" She has been instrumental in getting outsiders, including Wall Street analysts and investment bankers, into the boardroom to share their views on the company. "It was enormously valuable to hear what the Street thinks about issues like what should be done with our cash on hand," she shares.

David Yoffie, Harvard Business School professor and 21-year veteran of the Intel board, points to another way Shaw is helping to open things up at the company. He says she is driving a deeper and broader self-evaluation process for the board and a more systematic approach to CEO evaluation than the board has previously under-



PHOTOS BY: SHERMAN CHU

# ess Champion

taken. Barshefsky notes that Intel is a company that has always taken the role of the board seriously. Nonetheless, she observes, “The board has never operated as well as it does now. Jane’s a straight shooter and a tremendous asset.”

Dave Pottruck, Intel director and chairman and CEO of Red Eagle Ventures, adds that, in her role as non-executive chairman, Shaw is a great partner for CEO Paul Otellini. “She’s ego-free, balanced and knows how to use tough love,” he says.

## First Female

Shortly after joining McKesson — her initial public board — as the health care service and technology provider’s first female director in 1992, Shaw was giving a talk at Stanford University. Gordon Moore, Intel’s co-founder and chairman at the time, was in the audience. Impressed with Shaw, he introduced her to the now legendary Andy Grove, Intel’s CEO at the time. In 1993, Shaw became the first woman on the microchip giant’s board. “She’s still one of a very few women in leadership in technology today,” notes Hundt.

“Intel is very egalitarian, and being a woman has never been an issue,” Shaw says. She does remember an instance where someone joked that she was the token woman on the board. She thought nothing of it but recalls Grove calling later to let her know, “We don’t have token anything at Intel.”

Even with an egalitarian approach to hiring, women are undeniably under-represented in engineering and the sciences in the U.S. high-tech industry in general. At Intel, Shaw has always played an active role in the company’s women’s network and has worked with the head of human resources to develop programs to encourage women into the industry starting at

the university level.

Yoffie says, “One can easily get intimidated by the technology. Jane refuses to be intimidated by it, which enables her to probe management effectively.”

## On the Audit Hot Seat

Hundt says that Shaw has been a “fearless” audit committee chair at Intel. Sitting in her sunny Silicon Valley living room, Shaw smiles faintly at the remark. “I don’t shy away from big issues,” she says. “It’s very much in keeping with the company’s tradition of constructive confrontation.”

No stranger to big issues, Shaw faced every audit chair’s nightmare in that role at McKesson in 1999. The company made a bold move to acquire HBO & Co., a health care information technology company. Despite rigorous due diligence — including at the board level — prior to striking a deal, no one uncovered that HBOC had artificially inflated its value by booking revenues that had not been earned.

“It was probably the most uncomfortable meeting I’ve ever been in when we realized what we’d bought was a house of cards,” Shaw recalls.

The acquisition did eventually go through but the confidence of customers and investors was badly shaken and the lawsuits stretched on for years. McKesson’s stock lost 47% of its value the day the restatements were announced in April 1999. It wasn’t until late 2009 that former HBOC CEO Charles McCall was convicted of securities fraud, having been acquitted by a federal jury in 2006. He started serving time behind bars in March 2010.

“Jane played a critical role in helping McKesson navigate the financial crisis that threatened the company’s very existence,” says Hammergren. As the newly appointed

CEO of McKesson at that time, he says he relied heavily on Shaw's insights as a CEO herself — she spent seven years in that role at Aerogen — as well as her intimate knowledge of McKesson's businesses. "Her integrity, level-headedness, financial expertise and significant health care experience were invaluable as we struggled to recover from a potentially catastrophic event," he says.

"I spent a lot of time soul-searching about this. What did I miss? How did we all miss it?" says Shaw, still frustrated by the memory. But Pottruck, who also served on the McKesson

board, says, "Jane is really the guardian of Intel's corporate culture... She embodies the spirit of the company and challenges it to be better."

bit of an adventure for the company and the other members of the board," says Jacobs, who, like Shaw, comes from the health care industry. "Jane and I favored it and worked to get everyone to see the opportunity for expansion and growth."

Many of Shaw's colleagues praise her for doing far more work than the role of director ordinarily requires. "Jane has the time and the willingness to make an extra commitment to Intel," says Hundt.

"She's an inspiration, and I marvel at her expertise. She strikes a great balance of

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**Reed Hundt, Principal, Charles Ross Partners**

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board with Shaw at that time, says, "Jane is a shrewd operator with a voracious appetite for detail. But this was fraud. No director could have found it." Calling Shaw a "board leader" who is always "scrupulous in her due diligence and preparation," Pottruck notes that it wasn't until post-acquisition, when customers brought previously unseen documents to McKesson's attention, that the "disaster" came to light.

McKesson has recovered financially and emotionally. Since its post-scandal low, the share price is up about 300%. And the debacle hasn't deterred Shaw from pushing McKesson to make the right kind of acquisitions, including further expansion into health care information technology.

In 2006, the company acquired Relay Health in a move that broadened its IT platform to include the movement of electronic images. Fellow McKesson director and Theragenics CEO Christine Jacobs says Shaw's health care knowledge along with her unrivaled governance leadership helped make the case for what has turned out to be a great strategic move. "The acquisition was a

advocacy for the company and for shareholders," says Jacobs of Shaw's dedication to McKesson.

For her part, Shaw says she enjoys helping to steer complicated companies and collaborating with her director colleagues. "It's required going up the learning curve, but in life I think that's what you need to do," she says.

As a Brit, Shaw has an international perspective that has helped broaden the McKesson board's thinking, according to Hambergren. Her nationality may also give her a slight advantage at McKesson's annual four-day off-site, where it has become a tradition for the directors to play a game of croquet. "It gets quite cutthroat — whacking that little ball — but it builds amazing camaraderie," says Shaw, always mindful of the culture that's being nurtured.

— Alex Halperin

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**Jane Shaw will speak at ODX New York on October 6 – 7, 2010. Please contact Dan Fink at 212.542.1255 or DFink@TheODX.com for details.**

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