



INVESTOR ALERT

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Eyes on the Prize

When you have a long serving CEO who, after a brilliant career, as evidenced by shareholder return, has performance that trails off substantially, then that person may have overstayed his or her welcome.

There was an excellent article in a major magazine that headlined this issue. What happens to all those hard-charging CEOs once they have been in that position for many years? The answer is simple: their focus changes. The prize is no longer success for the corporation overall, but rather a comfortable retirement for the individual. Certainly these can be compatible goals, but it must be a laser focus on the first (corporate success) that drives the second (comfortable retirement).

So, if it seems that decisions are for the betterment of the CEO's retirement rather than the betterment of the company as a whole, it's time look elsewhere. Don't invest in a company where the person in charge has his eyes on a prize that isn't the same as yours.