



Gregory T. Lucier, Chairman and Chief Executive Officer, Invitrogen Corporation

Gregory T. Lucier has served as Chief Executive Officer of Invitrogen and member of the board of directors since May 2003. In April 2004 he was appointed Chairman of the Board of Directors. From June 2000 to May 2003, Mr. Lucier was the President and Chief Executive Officer of GE Medical Systems Information Technologies. Mr. Lucier was named a corporate officer of General Electric Corporation (GE) in 1999 by that company's board of directors and served in a variety of leadership roles during his career at GE including as Vice President Global Services, GE Medical Systems. Mr. Lucier is currently a director of BIOCOM, serves on the BIO Board of Directors as well as on the board of the Burnham Institute of Medical Research. He is actively involved at San Diego State as a distinguished lecturer. He received his B.S. in Engineering from Pennsylvania State University and an M.B.A. from Harvard Business School.

Invitrogen Corporation (Nasdaq:IVGN) is a global company with revenues of \$1.15 billion. They provide products and services that support academic and government research institutions and pharmaceutical and biotech companies worldwide in their efforts to improve the human condition. The company provides essential life science technologies for disease research, drug discovery and commercial bio-production and its products can be found in nearly every major laboratory in the world. Invitrogen's product family includes many of the most widely recognized names in the industry, including Molecular Probes, Gibco, and Dynal Biotech. Founded in 1987, Invitrogen is headquartered in Carlsbad, California, and conducts business in more than 70 countries around the world.

Recently we sat down and spoke with Greg Lucier to get his perspective on some of today's most crucial issues, such as what it takes to hire and develop top leadership, how to adapt your management style to meet the need of the emerging Gen Y workforce and a board's obligation to guide the competitive development of its leadership cadre in this next era of SOX compliancy. After a candid discussion with Greg Lucier, it became clear to us that trust is now a prime ingredient in leadership development programs for global companies. Trust is the glue that can bring mentors, top leaders, and emerging leaders together in a collaboration to build long term careers and develop superb leaders.

Greg Selker

As the world we live in becomes increasingly flat, we're confronted right now as leaders by issues of inter-generational, cross cultural workforces and increasing demands on our time to do more with less. How are you leveraging your knowledge and leadership experience to deal with these changing circumstances?

Greg Lucier:

Well I think in order to be an effective leader today, given the pressures you just described, you have to have one essential ingredient, and that is energy. Because no matter what, in today's global economy, you have to apply yourself and be present in a lot of places seemingly at once. I can remember back in my last year of running a fairly large business at GE, I was on the road for 250 days! And now running Invitrogen, I'm on the road about 50% of the time. So no matter what other means or channels you have, still applying yourself to be present to "press the flesh" and meet people is an essential ingredient for leadership success.

Now having said that, I also think that taking a page from the next generation, the people in their early 20's, about how they communicate in fundamentally different ways is something I'm trying to apply. We have internal to Invitrogen a number of different forums where people can both author, but also anonymously dialogue with one another on key topics. This happens continuously around the world. It allows me to see where the state of mind is on certain issues for the company.

Greg Selker:

So kind of like an internal blog...

Greg Lucier:

Well, a blog is a bit more publishing externally, and we certainly have those, but then we also have forums where it's an on-going, on-line dialogue taking place on a number of different issues and it allows the leadership team, let alone middle management, to really understand the pulse of the organization at any moment in time.

So we have, for example, a forum inside the company on "customer reputation". And you know it could be a salesperson in Taipei writing, "Boy did I just get my head handed to me by this client on this product line - beware - and you guys have got to do something about this." And then someone can answer, let's say the product manager on the other side of the world, "Wow, I hadn't heard that, let me jump on it but next time when they bring that issue up, here is what you could say." This form of communication creates a real connection in the company, a dynamic dialogue.

Greg Selker:

Are you finding that this real time, electronic dialogue is a suitable substitute for phone conversations, or face to face dialogue?

Greg Lucier:

Well I don't think anything ever replaces the full emotional impact of a face to face meeting, and that's why I started off by saying it's important to apply yourself to be in many places around the world. But given the physical constraints of doing that, these types of communication processes, which as we both know didn't exist ten years ago, can provide a new wiring diagram to the modern day organization.

Greg Selker:

I'm curious Greg, as you look at the 50% of the time you're on the road, how much of that time is spent with customers, versus working with your own people to develop their skills?

Greg Lucier:

Great question and actually, I do give that one quite a lot of thought. I would say that I very consciously try to divide the time in three sections. One third is spent with "customers and external constituents". Given that we're in the world of science, we deal a lot with ministers of health and heads of science and technology organizations around the world. The second third of the time is certainly with employees and organizational development, and then last is acquisitions. We're an acquisitions-oriented company, and so you've got to be on the lookout and "pressing the flesh" to meet lots of people who are running companies that touch yours.

Greg Selker:

So in addition to the forums that you described, what are you doing today to help develop your people into the best leaders that they can become? What are you doing that's different perhaps today than you might have done in the past?

- Greg Lucier:** You know ten years ago, fifteen years ago, there was a much higher degree of trust between the employer and the employee, and given that implicit trust there was a greater ability to have people take horizontal moves, even take a step back, to learn a new skill in order to take two steps forward. Unfortunately, I just think there is not that level of trust anymore in the population between an employees and employers.
- Greg Selker:** Why is that? What do you think happened?
- Greg Lucier:** Well, this is certainly just me opining but the concept of moving to a new job every couple of years has certainly been accepted. That fact linked with the point that the labor markets are very tight, makes it more acceptable for “an every person for themselves” mentality.
- What that all translates into is it becomes harder and harder to get people to actually do career development inside a company. To resist that trend, you better have one heck of a good career development process. And you better have really good mentoring capabilities inside the company. In spite of doing everything right, companies are still in a constant struggle against this force of employees asking the question: “I wonder if the grass is greener over there?”
- Greg Selker:** What type of cultural edge do you think you can develop or hone that will make a difference in your ability to not just hold your own but to win against these trends?
- Greg Lucier:** I think this may sound a bit “Machiavellian”, but it comes in two ways. One is you have to do a much better job screening people coming in for the right type of character, a personality that can commit. We’ve done some work there. The second point, and this is where the Machiavellian comment comes in, is that when somebody leaves in a less than honorable way, you have to be very clear that it happened in a less than honorable way to the rest of the organization and that there is a collective learning. What you’re basically saying is we are a company that is all about trust and when that trust is violated by an employee; a wrong has been committed,
- Greg Selker:** No, I understand exactly, and it’s got to be balanced with that front end of strongly giving messages of support and encouragement and empowerment for the behavior that you want to see.
- Greg Lucier:** Exactly.
- Greg Selker:** Looking at your hiring practices, how are you making certain that the people who are interviewing really interact with the hiring process as a leadership competency and leadership obligation?
- Greg Lucier:** Are you asking how you make sure that the people doing the interviewing have real “skin in the game”, that they care about the outcome of the interviews?
- Greg Selker:** Yes.
- Greg Lucier:** Great question. I think you have to have some real forethought about who’s doing the interviewing. What we do is make sure we have a gauge for every class of potential hire. So if we’re interviewing a scientist, as an

example, we have a handful of people that interview all our scientists. They're not the only ones doing the interviewing, but they interview every single scientist and ...

- Greg Selker:** And excuse me for interrupting you, but these are folks who are themselves senior scientists from within the organization?
- Greg Lucier:** That's right. But they have been asked to do this special duty, and because they can see more, hear more and learn more, they get pretty darn good at assessment and what fits in this company. These people then get augmented with the hiring manager and a few other people, but we are consciously focused on not having too many interviewers.
- Greg Selker:** So you restrict the interviewing team. You have a core group of people for instance, senior scientists, who interview all senior scientist candidates. Does that follow suit with other functional areas as well?
- Greg Lucier:** Absolutely. Sales specialists that handle sales candidates, etc.
- Greg Selker:** So you're building up over time a consistency of data and feedback and putting people through the same filtering process.
- Greg Lucier:** You got it.
- Greg Selker:** A comment made years ago, I think it was in the late '90s, that for most public companies their boards were their largest under performing assets. The world of Sarbanes-Oxley, I think changed all of that, and I'm curious from your perspective in today's post-SOX world, how do you think the accountability for a board of directors has changed? How do you think the overall tenor of a board in terms of the value that it brings to a public company has changed?
- Greg Lucier:** Well clearly the responsibilities placed on a board have increased in the last few years for all the obvious intended reasons. I think many boards have stepped up their sophistication in how they provide stewardship for a company. I went to a class at Harvard on governance about three years ago and there were a number of different companies represented. When I left that class, I concluded that most of the companies were at the same level of development at the time.
- Greg Selker:** What size companies attended the conference?
- Greg Lucier:** Big and small, Fortune 500, Fortune 1000. I just actually went back and I was surprised by the dichotomy in the group. There were a group of companies now, and we would certainly place ourselves in this group, that really "get it" and are performing at a whole new level; a very engaged and enlightened board. At the same time, there were still some companies that were struggling. My thinking was that perhaps in some situations it's hard to move 7 to 12 people to a new level of performance. Some get there and some don't. At Invitrogen, we've been very aggressive in demanding change of our board, even to the point of changing board members. As the Chairman of Invitrogen, I have been resolute that we're going to evolve and progress quickly on governance. Not just meeting the requirements of SOX, but meeting other obligations that have been placed onto boards in recent years.

- Greg Selker:** Just out of curiosity when you look at the companies and the participants in this forum with you, on average how many of them had CEO's who were also Chairman, and in your opinion, is there a relationship between a CEO being a Chairman and being able to drive the board to be more enlightened versus when a CEO is not?
- Greg Lucier:** Well my bias is for the CEO to be Chairman as well. My instinct says that separating the Chairman role from the CEO role creates another level of complication in the drive for change. And if you have a CEO who's also the Chairman, a person "who gets it", you can move faster.
- Greg Selker:** Do you see boards taking a more active role in succession planning and in the development of leadership within the company?
- Greg Lucier:** Well at Invitrogen, I imported the HR practices I learned at GE. I started to review the performance of my executive team members, and the bench beneath them with the board so they would have a familiarity with the company in order to answer succession type questions later. I have to say the first year or two was uncomfortable. The board was like, "Wow, this is a level of detail that we're not sure we need." But now four years later, the directors have come to expect it. They've come to understand that to carry out one of the key functions of a board, succession, they need to go through this process of personnel review regularly.
- Greg Selker:** Very good. So in addition to the financial accountability this has also helped instill a level of accountability from the board in terms of the overall management and leadership of the company.
- Greg Lucier:** Correct.
- Greg Selker:** Well I applaud you in these practices that we consider to be best practices as well.
- Greg Lucier:** Well I appreciate that Greg. We're always working at it, and we can always get better.
- Greg Selker:** It's a constant piece of work isn't it?
- Greg Lucier:** It certainly is.
- Greg Selker:** If we kind of look at the whole tenor of discussion that we've had so far, talking about the hiring and development of leaders, instilling a culture of leadership, the accountability of the board with respect to that, when you look at search firms, executive search firms, what should the role be of an executive search firm in these processes?
- Greg Lucier:** Well I think our early dialogue about what Selker Leadership is doing to think longer term about the success of the placed executive - that they're only successful when the placed executive moves the needle- is important. . We both know that evaluation can take a few years, and so the fact that Selker Leadership tracks the performance of its placed executives for two years is really spot on. When a search firm does take a longer term approach, they will also take a more penetrating view of the executive into the company, and be darn sure that the people they

are sourcing have the potential to be great in that firm. I think there are so many choices today with executive search firms, and the competition is so fierce, that perhaps many executive search firms are caught up in the "time to place" a person metric. But that's not really what you're after when you hire a search firm. You are also after the success of the executive, and so I applaud a lot of the things you're doing to think longer term.

Greg Selker:

Well thank you. And I thank you very much for your time today.

Greg Lucier:

Great. Hope it was helpful.