Some board members are reluctant to raise a ruckus. Not Weston. It’s his modus operandi.
Ask Josh Weston what he thinks about the business of business, and he'll tell you — bluntly, and in detail. At 76 he's well past retirement age. But he's still a prime player, a small, silver-haired lion behind whose direct gaze a fierce intelligence click-click-clicks. Weston is a guy who "takes charge" and plays "a high-performance game."

So says Ray Troubh, chairman of Enron. He's "strong-willed, intelligent, knowledgeable and committed," adds Victor Ganzi, CEO of Hearnst. "If I had my way, he'd be on the board of every company of which I'm a shareholder," states Mike Cook, retired CEO of Deloitte. He is "the model of what an ideal board director should be," sums up former chairman of the Securities and Exchange Commission Arthur Levitt.

High praise from high places. And Weston does not come by this praise by telling CEOs what they want to hear. Rather, say colleagues, he does his homework, asks lots of questions, and then calls it as he sees it. "A lot of board members are reluctant to shake a tree. I'm not," Weston says.

He freely admits he can be, and has been, a nudge and even a hell-raiser when needed. And some of his colleagues concur: Although "not an easy man, he's a good one if there are issues," says Harvey Kruger, vice chairman of Lehman Brothers, who has been on ADP's board since the late 1960s. Former board colleague T. J. Derrig of Dunphy is even blunter: "I'd give him an A on most everything, but a B in diplomacy."

Clearly, for Weston, doing the right thing by the companies he serves is a mission. "A board member's primary role is to represent the shareholder," he says. And on that, "he's a general, not a captain," says Troubh, who sits on the Gentiva Health Services board with Weston. "Generals do not become generals because they are liked, but because they can, and do, provide the guidance and leadership that gets things done. It takes guts," says Troubh.

By all accounts, getting the job done is what Weston does best, and it has been the hallmark of his corporate board experience. "A lot of people are good at identifying problems and figuring out solutions, but not good at executing those solutions," says Ganzi, another fellow Gentiva board member. Weston "focuses, finds solutions, and then executes them," says Ganzi.

And making a difference was a necessity about five or six years into Weston's tenure on the board of Olsten Corp., Gentiva's predecessor company. Soon after Weston came on as a director in the early 1990s, he realized that Olsten, which had branched into home health care in the '80s and gobbled up several

IF I HAD MY WAY, HE'D BE ON THE BOARD OF EVERY COMPANY OF WHICH I'M A SHAREHOLDER

MIKE COOK • RETIRED CEO • DELOITTE

of the other major staff services companies that decade as well, already had deep problems.

By 1998, the problems had become serious. New laws had cut Medicare home health care reimbursement by up to 40%, and net income for the year dropped 95% from the year prior. Federal investigations of improper Medicare billing practices yielded several class action lawsuits naming Olsten. Though the cases were settled with Olsten neither admitting nor denying wrongdoing, it still faced $23 million in settlement costs, as well as a $61 million settlement stemming from Olsten Health Services' dealings with Columbia/HCA, which had been under investigation by the Department of Justice. Sales fell 21% that year, and the stock price tumbled.

That the family held lopsided voting power didn't help. Olsten family members had four of the nine seats on the board, and their closely held Class B common stock entitled them to 10 votes per share. Regular common stock permitted only one vote per share. Weston and others recognized that this situation was keeping the company from evolving in the best interest of all of its shareholders. So the board voted to create an executive committee and charge it with the restructuring, and voted Weston its chair.

By late 1998, Frank Liguori, who had become CEO in 1990, had resigned, and Edward Blechschmidt, who had been CEO of Siemens Nixdorf Information Systems, was brought in to replace him. "It became clear to us that the company would better serve shareholders if we unloaded the staff services and just ran the home health business," says Weston. There was debt, the Office of Inspector General was investigating staffing companies, and the board wanted to find a way to keep the company from suffering under its burdens and give the family liquidity at a decent price.

When Adecco Group, the international Sweden-based staffing concern, emerged as a suitor for Olsten's staffing business, Weston shepherded the deal, even, according to Troubh, going so far as to participate as its advisor-coach. "We weren't sure how the family was going to respond, so I said to the CEO, 'invite me to dinner with your CEO. Let me talk to him. Then we can figure out how to present it to the family.'" Weston recalls.

Weston also put in a substantial amount of work restructuring Olsten Health Services Corp. into Gentiva. The company went public in 2000. By 2002, the health staffing division, the Canadian business and the specialty pharmaceutical services division were sold. Gentiva now focuses solely on home health care in the U.S., and has strengthened substantially from its wobbly beginning. Of nine board members, only one — Stuart...
Josh S. Weston
Director's Snapshot

BORN: December 22, 1928 in Brooklyn, N.Y.

EDUCATION: B.S., Economics, City College of New York (CCNY), M.A., Economics, University of New Zealand

CAREER HISTORY: Chairman/CEO, Automatic Data Processing Inc.; President/COO, J. Crew, Inc.

FAMILY: Married to Judy for "very many years"; four children, eight grandchildren

HOMETOWN: Montclair, N.J.

BEST BOOK READ OVER LAST YEAR: John Adams, by David McCullough

FAVORITE MOVIE THIS YEAR: Fahrenheit 9/11

BEST VACATION IN PAST FIVE YEARS: Trip to Antarctica

WON'T LEAVE HOME WITHOUT: Small pocket calendar and phone list

FAVORITE QUOTATION: "Pilot before you pile-it."

MOST ADMIRED PERSON: Mike Bloomberg, "an unusual guy. He took his company from nothing to what it is today, and never got a swelled head... plus, in politics, he's been very balanced."

CURRENT CORPORATE BOARDS: Automatic Data Processing, Inc.; Gentiva Health Services, Inc.; Russ Berrie & Co.

Olsten, who was Olsten Corp’s last chairman — is not independent. Supermajority shares no longer exist.

And in the second quarter of 2004, earnings per share excluding recurring items was 20 cents per share vs. 13 cents a share in 2003, a more than 50% increase.

Long before his Olsen/Gentiva activities, Weston similarly left his mark on Public Service Enterprise Group Co., the New Jersey public utility. In the mid-1980s CEO Harold Somin decided to retire and recommended that his most senior direct report take his place. Weston piped up: "Shouldn’t we have a committee for executive succession?"

Soin was not happy, but other board members prevailed. A committee was formed to hire a headhunter and conduct an outside search. At the time, PSE&G was expanding into nuclear power and Weston believed it needed someone with nuclear plant experience — a skill Somin’s choice did not have. "The board was deadlocked for two months over it," says Dunham, former CEO of Sealed Air Corp and at the time a member of the PSE&G board. "But it finally came together, unanimously, behind Jim Ferland."

In 1999, Weston again found himself a catalyst when Russell Berrie, founder and head of the over-$300 million-in-sales gift manufacturer that bears his name, invited Weston to join his board. After the first two hours of his first board meeting, which "meandered around more like a corporate retreat," Weston suggested the board professionalize by instituting an agenda. As a result, meetings of the 10-member board got down to a more reasonable two and a half hours.

Weston’s continuing presence on the board of ADP, six years after his retirement, may fly in the face of good governance. But his admirers believe Weston, who is coming off the ADP board at the end of this year, is in a special category.

"They should be treating him with honor," says Cook. Levitt, who first met Weston in the 1980s when he was head of American Business Conference, admits to initially labeling Weston as a nitpicker.

Once he realized Weston’s thoroughness, however, he learned to prize it. "I dearly wish for the opportunity to serve on a board with him again," he says.

Weston genuinely believes he would not be responsible to his directorships if he didn’t pipe up as necessary to ensure the highest levels of transparency, integrity, and objectivity. As to whether CEO’s, after they retire, should remain on their company’s boards, he is blunt: "If a new CEO comes in and doesn’t want the old CEO around, he should leave," he says.

However, if the new CEO wants the old one around, "the former has an absolute obligation to be sure he doesn’t confuse line management."

A classic bootstraps story, Weston grew up in Brooklyn, N.Y., the oldest child of immigrants. He credits his high school, Brooklyn Tech, a top New York City high school that specializes in math and the sciences, with making him the businessman and person he is today.

"It shaped me up and taught me to be meticulous," he says.

Weston plays as hard as he works. "I’ve done Outward Bound missions with Josh — we’ve climbed mountains and shot rapids together," says Levitt. "He brings the same integrity and sharpness and focus to his play as to his work."

But most of all, he is a loyal friend who goes the extra mile. "When I finished the manuscript of The Six Fundamentals of Success, I shared it with Josh," says Stuart Levine, former CEO of Dale Carnegie Corp, and a fellow Gentiva director. "He got it on a Friday, and that Saturday morning he called me and said ‘Ready? Got a pencil?’ He had read the entire thing and had detailed comments for me, line by line."