

[Letter from the Editor]

Dear Friends:

I'm back from my honeymoon and thinking about what this autumn will look like for Silicon Valley. Corporate executives and venture capitalists are continuing to clear up existing issues and problems at their companies. The question at all sizes of organizations, from small consulting firms to Series C startups to multinationals has been "Which ones to keep, which ones to take out back and shoot?"

Silicon Valley has unfortunately recalibrated the time horizon for success, much to the chagrin of the unemployed. Before the economy can become robust once more, the Valley needs to get all our keeper companies and divisions into sustainable positions, coalesce mature management teams, and show quarters of consecutive growth and profit. This seems parallel to what individuals need to do with their careers. There is still a lot of capital available when you compare numbers historically, in fact, a backlog of money. Now financiers should have some bandwidth to look at new ideas, evaluate new products, and get entrepreneurs funded. All the conditions are there for a gradual increase in funding, which will allow hiring, then spending, then more hiring, and better economics—although it may occur painfully slowly.

This makes human resource strategic planning and hiring the right senior management teams even more important. Here, the question is "Who do we absolutely need to bring on in order to achieve our goals?" At first, executives recruit from whom they already know through previous jobs. But the supply of mature, experienced, industry-specific talent is limited, and companies are starting to look outward, because the stakes are so high and the supply is dwindling. We're seeing our clients get lined up for searches for positions they must have filled in the late fall.

This month I'd like to thank all of you who have supported me in our marriage with cards, calls, and emails, and all of you who were able to attend our wedding. And a special thanks to a certain well-known senior software company executive who gave the sermon to end all sermons. You looked so serious and conservative, yet had the comedic timing of Johnny Carson. You made our day, and we will always remember that.

Take care,
Valerie

Ask Valerie

This month's Q&A session covers losing faith, overworked HR departments, and new ideas for compensation.

Dear Valerie:

All I do is worry about getting a new job and being able to support my family. It's killing me. I'm afraid we'll have to sell our home soon if I don't find something. I don't care if it's C-level or not, as long as it will pay the bills. I've been out of work for over 18 months except for short consulting assignments, and I'm losing it. Nobody's hiring marketing executives. What should I do?

-No Faith, No Courage

Dear No Faith:

We've all been there and few situations hurt more. Losing faith and struggling to regain it is part of the human condition. Recently I walked into a church and just stared at the stained glass window behind the altar. Eventually I started thinking about faith and courage. "Faith that I know the right things to do, courage that I will do them." You need to somehow get back in touch with these ideals and then be honest with yourself regarding your marketability. Determine the right things to do and find the courage to go do them. You know in your heart the right answer, whether it be to stay here and keep looking, move to another area, or decrease your lifestyle and take a lower paying job.

Dear Valerie:

My staff has no motivation or energy anymore, and it's showing in their customer service to internal clients. We've had terrible earnings, massive layoffs, and have had lots of people quit the sinking ship. My own staff has been reduced, and my remaining team seems to be doing nothing but processing terminations and dealing with benefits. Our company still has plenty of money in its reserves, and is well positioned for when the market turns around. I need my team to be creative, strategic, and more like business partners than cops. How can I get them reenergized and refocused? Also, I'm quietly circulating my own resume and would be interested if you have any jobs in the East Bay.

- Maybe Looking, Maybe Staying

Dear Maybe:

This is a situation where the captain of the ship needs to take full responsibility for navigation, the crew, the grubs, and everything else but the weather. There's no way you can ask your staff to improve their attitudes and change their thinking if you've got one foot out the door! Do your staff (and your CEO) a favor by deciding if you're on board or not. The company has money in the bank, you have a job, so why not view this as the best opportunity of your career to help turnaround a business. Confide in your team about your soul searching, and why you've decided that this is the best possible job for you right now, and what you're going to learn. Then, tell them what they're going to learn, how they'll be held accountable, how you'll help them, and how they'll all be better professionals for having gone through this. Then, walk the walk, talk the talk, and don't even think about jumping ship. The captain is the last to go.

Dear Valerie:

We don't have any good strategic compensation people in-house right now, and I know you're interviewing a lot of big shot compensation executives for that search you're doing. Any creative compensation ideas? You know, how to retain without paying big bonuses, how to make employees happy without spending money, how to cut benefits without looking cheap.

-Just Wondering

Dear Wondering:

One excellent candidate that Bryan just interviewed shared some great examples of how he coached his internal clients into giving out high impact bonuses. Instead of simply paying out cash bonuses, they really push the managers to know their employees and get to know their hobbies and passions outside of work. Using this knowledge, they come up with a gift that the employee would really like and find personally meaningful. For one employee who liked SCUBA diving, it was an underwater photography trip. For another, it was an outright purchase of some of the company's stock. In both of these cases, the reward paid out much more than a check for cash in the employees mind and ultimately cost significantly less than the employee would have been due based on their salary grade. Maybe I'm just in

that mood, but it's running very close to the impact of the wedding gifts that Adam and I received – it's not how much, but the thought that counts.

Monthly Product Focus:

Consulting Product of the Month #1: HR Team Development

As the beginning of Q4 approaches and after all that your team has been through the last two and a half grueling years, now is an excellent time to utilize our firm to facilitate a program to refocus your HR staff on short, medium and long-term goals, and tie it in to your team's professional development. We've had great success with this package in the past and offer it in a variety of formats.

Consulting Product of the Month #2: Job Search Fast Start Package

As a licensed career counselor, I run a large private practice coaching individuals towards achieving their career goals. With my staff, we offer a range of levels of expertise, coupled with powerful tools and strategies to jump-start your job search. We can impact anyone from C-Level executives down to recent college graduates.

Consulting Product of the Month #3: VP of Sales Search

Sometimes, to my own chagrin, I hear someone say to me that they thought we only did HR searches. I'd like to take this month to say again that we have a thriving search practice on other C-Level executives in other positions as well, and are particularly strong in VP Sales and Marketing, VP Business Development and VP Professional Services positions as well. Check out our client list at <http://www.vfandco.com/about/clients.html>

Networking & Professional Development Events

How to Close Critical Business Deals

September 5, 2002, iPark, San Jose, CA

Everyone has critical deals that they cannot afford to lose, such as getting funding or signing up an important customer. You can tell when a deal isn't going well, but do you know why it's going badly, and how to get it back on track? In this workshop learn to avoid fatal mistakes and adopt successful behaviors that close critical business deals. Speakers: John Montgomery, Partner, Carr & Ferrell, LLP and Lois Wong Executive Coach, LWong Consulting Hosted By: Asia-Silicon Valley Connection.

La Prochaine Reunion du DBF

September 9, 2002, Holbrook Palmer Park, Atherton, CA

DBF aura le plaisir d'accueillir Françoise Tourniaire. Nous comptons sur vos réponses de participation afin de mieux préparer la réunion. Comme d'habitude, une participation de \$30 sera collectée à l'entrée. N'hésitez pas à faire passer ce message autour de vous, tout le monde est bienvenu. Valerie Frederickson sera là and serait très contente de vous présenter à tous ses amis.

Charging What You Are Worth

September 9 – 12, 2002, Renaissance Entrepreneurship Center, San Francisco, CA

A two-part workshop for women on negotiation skills and charging what you are worth. Hosted by the Renaissance Entrepreneurship Center and the SBA. Renaissance Entrepreneurship Center, a non-profit

organization, was founded in 1985 to help socially and economically diverse Bay Area residents start and grow their own small businesses.

NCHRA: Managing Layoffs with Compassion

September 11, 2002, Newark/Fremont Hilton, Fremont, CA

Join Valerie Frederickson and Judy Starling, Human Resources Senior Director from Oracle, as they share best practices for handling individual and group terminations effectively and compassionately. They'll be giving out free copies of *Terminating with Compassion*.

NACD Silicon Valley Chapter Breakfast Meeting: The Audit Committee

September 19, 2002, Sheraton Palo Alto, Palo Alto, CA

National Association of Corporate Directors presents another excellent chapter meeting with panel presentation. Val's Tip: Great place to learn about boards of directors and do some serious high level networking.

NCHRA Annual Conference & Trade Show: Rebuilding Your HR Career After the Dot Bomb

October 1, 2002, Oakland Marriott City Center, Oakland, CA

Join Valerie Frederickson and a panel of senior HR executives as they discuss how the HR profession has been irrevocably changed by the dotcom explosion and subsequent implosion. This session will focus on how individual HR professionals can help rebuild the profession as well as refocus their careers for increased job satisfaction and to be better able to compete in the marketplace. This event is suitable for HR professionals at all levels. Panelists include: Gary Albright of Veritas, John Brennan of Wind River, and Peggy Seabourn, formerly of the Pacific Stock Exchange.

Current Searches:

Below is a list of our current searches we have undertaken on behalf of our clients.

Director, Compensation, Benefits, HRS (East Bay)

As a leading member of a HR team of a publicly held software company in the Bay Area, devise and implement a companywide strategy for compensation, benefits and human resources systems. Work with the executive team, HR counterparts and staff and companywide partners to develop a program that supports the business vision of the company, particularly in regards to recruitment and retention that will be presented to the compensation committee. Experience with options programs and sales compensation as well as a passion for building HR systems is a must. Executive presence and leadership style needed, along with superb collaboration abilities, flexibility, and high tolerance for ambiguity. Strength in training, developing, and managing a staff is necessary, as well as the willingness to roll up sleeves and contribute on an individual basis as required. (Generalist directors with excellent leadership, management, and supervision skills who have solid backgrounds in compensation and have done HRIS implementations may be considered). Email your resume in MS Word format to recruiting@vfandco.com.

Director of Human Resources (SF)

Looking for a high-end human resources executive with a best practices tool kit from well-respected large companies, and the roll-up-the-sleeves attitude of a startup. We need a person with superb communication skills and personal presentation, self-confidence, and high flexibility/client services focus. Email your resume in MS Word format to recruiting@vfandco.com.

Organizational Development Manager (SF)

This Organizational Development position provides leadership and project management in the areas of training, change management and culture transformation, communications, process engineering, and knowledge capture. This position will create a virtual team consisting of various business partners, including HR, IT, Sales & Service, and the Product Management groups. Expected Base Salary 70-80k+bonus and excellent employee benefits. 5+ years project management experience, utilizing and managing a virtual team. 5+ years OD and/or change management experience. 5+ years knowledge management/training experience. Email your resume in MS Word format to recruiting@vfandco.com.

Manager, Professional Services (Santa Clara)

South Bay embedded systems company seeking professional services manager to lead enhancement of processes and programs company-wide. Position reports through engineering and will directly manage client engagements using modern software project and program management methods. Work will require onsite and remote management of professional service engineers, setting and managing cost and revenue targets, and the continued development of company's strategic and tactical execution of professional services. Requires: 7+ years of professional service management experience at operating system level software; 5+ years embedded systems software engineering experience; experience managing and delivering professional service engagements, executing offshore development and extensive project and program management experience. Willingness to travel. Email your resume in MS Word format to recruiting@vfandco.com.

Prospective Searches:

Based on recent conversations with both new and existing clients, we anticipate that we will be taking on searches for the following positions. If you are, or know of any, available and possibly interested candidates, have them email their resume in MS Word format to recruiting@vfandco.com and reference Prospective Searches.

- CEO, Investment Banking Practice (Peninsula)
- SVP, Business Development (South Bay)
- VP, Professional Services (South Bay)