

May 2005

[Letter from the Editor]

DEAR FRIENDS:

Dear Friends:

Is everything really critical or is it all just plain urgent? When did important and necessary become low priorities? These days it is all so hard to judge. According to the SF Chronicle story on the "Chronicle 200", the CEOs who increased profits by 103% last year relied on cost-cutting measures, improved productivity, and acquisitions to hit their numbers, not on increased sales. But when you have such a focus on cost-cutting measures and increased productivity, you often have a pared down workforce doing urgent only. Things look good, but you may never break out of start-up mode and enter into the next growth stage, even if you are hitting \$1 billion or more in revenue, as one senior executive said this week. Everything is critical, urgent, ASAP, crucial, must have your attention.

To that end, HP just commissioned a study showing that your IQ drops by 10 full points (the equivalent of pulling an all-nighter – if you can remember those days) if you are interrupted by emails and phone calls while you are trying to get your work done. Think about it. How much smarter we could all be if only we could...

An executive at a leading outsourcing company helped me put together this list a few days ago.

How to know when your organization is stuck in URGENT not IMPORTANT mode:

- Vendor's contracts are not renewed even though business is ongoing and they hold millions of dollars of your inventory
- Your vendors have three different contacts at your company for any one activity because they don't know who they will be able to reach
- Managers are "too busy to invest in discussing job descriptions and cultural fit" and "just want to see resumes"
- You don't have 100% quorum in strategic meetings
- You keep contractors on the job for longer than 90 days
- You consistently get emails from coworkers at odd times, like 4:26 a.m. on Tuesday, Sunday afternoon, or 11:00 p.m. on a Thursday
- People don't realize how shameful it is to say that they are "putting out fires"
- Standard shipping is Same Day Air
- You interview three employees and hear more than one version of your mission
- Everyone is a hero all the time
- Processes stay in people's heads and are not documented or shared
- You have a Blackberry culture (try counting up those lost IQ points)

This month, we would like to thank Rich Butts of Virage Logic for all his friendship, support, patronage and referrals. Happy Birthday, Rich!

Take care,
Valerie

ASK VALERIE:

No, I don't make these up!

Dear Valerie:

Is the East Coast or West Coast more into pay-for-performance (versus pay-for-longevity)? Are older people making more back East just for having been there?

-Young Blood

Dear Young Blood:

You would think that "out here" we would reward for performance while "back there" they would still be throwing money at the long-timers; however, that's not really the case. The East Coast tends to be much more sophisticated about compensation programs, and frankly, all HR systems. It's true that employees tend to "job hop" less back east, but in Silicon Valley many companies don't allocate adequate time to give adequate performance feedback and reviews, and simply jack up to comp a little every year.

Dear Valerie:

So which employer will theoretically ensure that my stock options are worth more three years out: a pre-IPO startup, or a large, public company?

-Need to Buy a House

Dear Need to Buy:

Using the words "ensure" and "pre-IPO" startup in the same sentence is gambling enough. If you need to buy a house and are counting on your stock to do it, the equity in a public company will be far more stable, though you still might lose money. It's easy for us to imagine what we're going to do with all the money we get from a successful IPO, but that's cash you can use when you've got it in hand.

Dear Valerie:

How do you stay competitive at 50?

-Grey but Good

Dear Good:

Keep your feedback loop open and never get arrogant or lazy. The minute you think that you're good enough or that you know better, it doesn't matter what age you are: you're on your way out.

SPECIAL EVENTS:

A Property & Casualty Seminar

May 19, 2005, Redwood City, CA

Join distinguished speakers: Michael Klausner, Professor of Law at Stanford Law School; Reed R. Kathrein, Esq. Partner, Lerach Coughlin Stoia Gellar Redman; James Dramer, Esq., Partner, Orrick, Herrington & Sutcliffe LLP; and John J. Schwonke, Senior Vice President, ABD Insurance and Financial Services as they discuss techniques for minimizing personal exposures in the post – WorldCom/Enron Environment.

Building Effective & Efficient Personal Networks

June 8, 2005, Palo Alto, CA

Is your personal network as strong as it should be? Personal networks can be powerful tools, helping to drive performance and build influence within organizations. Professor James Baron offers concrete insights to enhance your networks.

Rules of the Road: What Boards Expect from the CFO

June 14, 2005, San Francisco, CA

The objective of this program is to deepen the CFO's understanding of the expectations of the Audit Committee and the board in the new era of heightened scrutiny, and to create effective board/CFO relationships that enhance risk management. This course is designed for Chief Officers and corporate directors – particularly members of the audit committee – also will benefit.

HR's Role in Managing the Employment Lifecycle

June 16, 2005, San Francisco, CA

Today's decision makers are faced with an ever-evolving series of critical employment-law checkpoints in the workplace: proper hiring; implementing consistent promotion strategies; managing problem performance; or conducting lawful terminations. When performed professionally and correctly, these critical business decisions can ensure that organizations meet their goals. Yet correct handling means that the organization's overall needs and objectives, each of these crucial decisions must be made with the highest awareness of applicable legal regulations and compliance issues. This course guides HR professionals through these landmines with an emphasis on satisfying your legal obligations while surpassing organizational goals.

CURRENT CONSULTING PROJECTS:

Human capital is the most critical and time sensitive factor for any organization. This section gives you a feel for current critical HR and management issues our clients face.

- Assessment of HR team
- Interim VPHR
- Executive and board compensation
- Organizational Development Contractor
- Performance management system overhaul
- Investigations following harassment claims
- Total HR setup for Indian tribe
- Site selection criteria development and research
- Executive development plans for new VPs
- Outsourced coaching/managing of HR senior staff
- Management training customized for intact groups

SEARCH PRACTICE:

We accept resumes from all C-level executives, Board members, and all HR professionals. Email your resume in MS Word format to recruiting@vfandco.com.

CURRENT SEARCHES:

GENERAL SEARCH PRACTICE:

CFO, Financial Services (San Mateo)

Fast-growing, four-year old company on track for IPO next year. As CFO, lead financial operations, financial strategies, Investor Relations and build the financial infrastructure of the company. The CFO will be counted on to partner with the CEO for fundraising efforts, including interfacing within the investor community, conducting due diligence and valuation analysis, financial projections and value based economic/pricing analysis. Operations and management experience required. MBA preferred. Email your resume in MS Word format to recruiting@vfandco.com.

CFO, Hospitality (Scottsdale, AZ)

Prefer candidate from a Real Estate Investment Trust (REIT). BS in Finance or Business, MBA preferred and CPA credentials a plus. 10+ years of experience including start-up experience building a Finance organization from the ground up. Eight years or more of recent work in a mid to large sized Finance department; three years or more of recent work as a Director of Finance, VP of Finance or CFO. Consistent experience as a key contributor in developing solid business practices. Working experience with Foreign Exchange and dealing with international entities. Proven and successful track record of quickly helping scale small size companies. Experience building, managing and mentoring an emerging team. Solid understanding of GAAP accounting guidelines. Good communication skills in small and large forums (written and verbal.) Experience working with multi-jurisdictional taxes and regulatory compliance. Email your resume in MS Word format to recruiting@vfandco.com.

Customer Service Manager (mid-Peninsula)

Manage a call-center customer service group supporting North American and Asian customers for a global technology electronics organization. Requires 25% travel; can be based in Redwood City, CA or Toronto/Trenton, Canada with travel back and forth. Manage all operating procedures and performance metrics to achieve company goals. 10 years management experience with a focus in Operations and Customer Service. Experience with export orders and shipments required. Experience with EDI or web ordering is required, automatic call distribution and SAP preferred. Bachelor of Science. Email your resume in MS Word format to recruiting@vfandco.com.

HUMAN RESOURCES SEARCH PRACTICE

Sales Compensation Manager (Sunnyvale)

Sales Compensation Manager for world-class networking company. Ideal candidate will demonstrate a highly successful career in Compensation, with a core competency in Sales Compensation. Ability to work closely with company's sales organization to develop the incentive plan strategy, design and implement worldwide sales, system engineering, customer support and professional services compensation programs (including job evaluations, job leveling tools and salary structures). Deep understanding of emerging sales compensation trends and best practices combines with excellent analytical skills. Proven aptitude to create, develop or modify programs or processes to solve complex problems for which no existing policies exist. International compensation experience a plus, specifically with Sales Incentive Programs. 5-7 years of progressive compensation experience, with a blend of startup and large corporations. Bachelor's degree, in Human Resources related studies or Business Administration, required. Advanced degree desired. Email your resume in MS Word format to recruiting@vfandco.com.

Human Resources Director/Manager (Temecula, CA)

Human Resources Director/Manager (contract to full-time) reporting to an elected council for a 175-person, rapidly growing sovereign Indian Nation. This position is responsible for policies and procedures,

recruiting, ER, performance management, training, and other administrative functions. Ethical, self-starting professional with clear communication skills, employment/labor law expertise who genuinely likes working with diverse groups and contributing to a valuable cause. Strong skills in influencing and managing progressive change. Prefer experience in government or not-for-profit sectors. Competitive compensation package plus extremely robust benefits. BS/MS/MBA in Business, HR, or Psychology/Sociology preferred; with a PHR/SPHR and other HR certifications. Email your resume in MS Word format to recruiting@vfandco.com.

VPHR (San Mateo)

Hot, profitable company targeted to do IPO next year seeks VPHR. Must have recent executive-level generalist experience in the software/services industry, plus expertise in compensation/benefits, strategic staffing, strategic employee communications, planning, and performance management. Email your resume in MS Word format to recruiting@vfandco.com.

CONTRACT POSITIONS

Email your resume in MS Word format to recruiting@vfandco.com.

HR Generalist/Manager/Director, (Southern California)

HR Director, High Tech (Silicon Valley) focus on comp, recruiting, training

Compensation Analyst (Peninsula)

VF&CO INTERNAL POSITIONS

Email your resume in MS Word format to recruiting@vfandco.com.

Communications Coach with Ph.D. in Comm Theory or Persuasion

Career Counselor minimum of MS, CMP preferred

RECENTLY CLOSED SEARCHES

Vice President, Sales--Semiconductor Component (Asia-Pacific)

Vice President, Human Resources--Consulting (Santa Clara)

Vice President, Professional Services--Software (Sunnyvale)

GM/Senior Director Enterprise Solutions--Software (upper Peninsula)

Vice President/ Director, Human Resources--Consumer Products (upper Peninsula)

Vice President of Human Resources--Software (mid Peninsula)

Senior Director, Human Resources--Software (Santa Clara)

Director of Strategic Talent Acquisition--Consulting (Santa Clara)

Director, Human Resources--Life Sciences (Mountain View)

Director of Business Development and Channel Sales--Software (EMEA)

Director, Compensation/Benefits/HRIS--Software (Mountain View)

Contract Recruiter--Software (mid Peninsula)