

[Letter from the Editor]

Dear Friends:

This year's most critical human capital issue is the immediate and long-term strategic development of the executive team. The last couple of years, companies invested almost solely in finding good candidates, so development of both the executive team and the executive pool went by the wayside. I remember being at a Churchill Club presentation on HR issues of rapid growth companies, and asking the panel to discuss succession planning in their organizations. Only one of the panelists—all CEOs—was willing to discuss it, and he was from a refrigerator company back East.

Now we can focus past attraction to retention and development. Companies have started evaluating and questioning the competencies of their executive teams, as evident in a marked increase in our executive coaching and HR consulting practices. CEOs are also asking how they can finesse the renovation of their boards. Investments in the feeder pool, employees who are one or two levels below C, are on the increase. Large companies don't want to hire CEOs from the outside (think of all the large high tech companies who have brought in disastrous outside CEOs who didn't fit into the culture) and therefore seek to promote from a large pool of qualified, experienced, loyal employees. We've seen renewed focusing on identifying competencies and arranging developmental opportunities for the up-and-comings. In addition, venture capitalists are spending more time nurturing the executive teams of their portfolio companies (some CEOs say too much time!). And while the questions that small companies and larger corporations face are very different, the challenge to develop and build an exceptional, cohesive team never relents.

Our role as a strategic human resources consulting firm is to provide consistent, clear analysis and advice to executive teams geared up for the long haul. We'd love to discuss with you what works and what doesn't and hear about the types of issues your team is facing. : Lastly, this month we'd like to thank Tim Unger, CEO of Chameleon Systems, for all his support and referrals!

Take care, Valerie

Ask Valerie

This month's Q&A session covers Japanese labor negotiating, executive burnout, and how to train new managers.

Dear Valerie:

In Japan, is there a predominant approach to timing the annual salary increase on the anniversary date of the person's hire? We have an April focal for noncommissioned sales, and a July focal for commissioned sales. Will that be acceptable there?

-Busy VPHR

Dear Busy:

Historically, Japan has had a strong industrial environment. In the 60's/70's there was constant labor strife surrounding wages and workers rights. Because of this Japan usually negotiates wage movements in the 1st Qtr resulting in an April "Spring Offensive." A bulk of the salary reviews come in the spring with effect around April - this as a result of the major auto companies completing negotiated

settlements around this time. With the growth of more western management styles, you can see some change but the former is still the case with a majority of companies. With the difficult economic/political situation Japan is experiencing, the level of wage movement will be limited if any.

DearValerie:

My startup just got a new CEO, and I can't stand to work there anymore. He says I hurt his feelings, and now we're barely speaking. I'm worried that there are no jobs for people my age right now, and that I'd better hold on to this one. Also, I just don't have the energy to conduct a job search and don't know where to look.

-Tired CFO

Dear Tired:

After discussing this with you in person for a couple of hours, we determined that you are burnt out from your last two jobs, don't really need to work, and that you desperately need to take some time off and get some R&R. You decided that you are better off quitting and risking never getting another CFO job than continuing with this one, primarily because it is keeping you physically unable to network or do a job search. After a long break, you may buy a small business, or run a nonprofit, get another CFO job, or do something completely different.

Dear Valerie:

I have a new, inexperienced engineering manager who has no idea how to supervise and is getting bad results from his attempts. What resources are available?

-The Boss

Dear Boss:

There are lots of programs your manager can attend at all different price levels, including good ones through Blessing White and AchieveGlobal (formerly Zenger Miller). You can also coach him yourself, or get HR to help him along. What you need to remember is that learning is a process, not an event, and that the only learning that lasts is done in situ, in small chunks, over a long period of time. Sending him to charm school just won't work.

Networking & Professional Development Events

Silicon Valley Women in HR: Succession Planning- Who Needs It?

April 13, 2002, Sunnyvale Golf Course, Lookout Inn Banquet Room, Sunnyvale, CA

Organizations change quickly, often due to an IPO or a reorg, yet must plan for the future. Whether a company is large or small, building a succession plan into an overall strategic plan is critical to stability, growth and sustainability. Valerie Frederickson will moderate a panel on the critical success factors of succession planning. Panelists include: Don DeVito, Management Consultant with LightPointe Communications and former VPHR of Philips Digital Video Group, and Cathy Murphy, current VPHR of Visx.

Val's tip: Come schmooze with a great group of ladies and learn how to translate a business plan into an HR strategic plan.

Leadership Forum: Leadership in Times of Crisis and Challenges

April 16, 2002, Ricky's Hyatt, Palo Alto, CA

Panelists will share their perspectives on leadership followed by Q&A. Panelists include: Leslie Valdez, president of Intel capital and John Chen, chairman and CEO of Sybase.

NACD: CEO Evaluation

April 18, 2002, Sheraton Hotel, Palo Alto, Palo Alto, CA

National Association of Corporate Directors. In a highly interactive session, you will learn what the critical issues are, what the best practices are, and what the experts say about why, how, when, and where boards evaluate their CEOs.

Val's tip: My favorite group! This is a great way to get ready for more board positions.

PBWC: "Retooling Your Career"

May 29, 2002, Moscone Center, San Francisco, CA

Annual Conference of the Professional Businesswomen of California. Learn how to embrace change in the job market and map out your own success strategies by attending this seminar session. Valerie Frederickson joins other career futurists during this conference featuring a diverse range of opinion leaders and experts in women's health, finance, business, life balance and politics. Conference keynote speakers include: Congresswoman Nancy Pelosi and Andrea Mitchell.

Val's tip: Send your mothers, daughters, and bosses.

Monthly Product Focus:

Consulting Product of the Month #1:

Training: As part of our work to make executive teams more productive, we offer a workshop on Executive Team Communications/Decision-Making. This two-hour workshop focuses on productive and unproductive dialogue among the executive team members, and the impact on reaching a true consensus. This is particularly effective for executive teams looking to develop and present a "united front" for their organizations. The training can be presented at a regular executive staff meeting, or as part of a strategic planning off-site. Facilitator is a VP-level HR executive, executive coach, and career counselor.

Consulting Product of the Month #2:

Counseling: Mid-level executive outplacement package: A cost-effective, high impact program appropriate for manager and director-level employees whose positions are terminated due to performance or reorganization. Three in-depth meetings covering the transition, career analysis, and career plan; an excellent resume, cover letter, and an executive summary; 10 hours of personal job development research, and three follow up/decision-making sessions. Package includes both Folio: The Most Comprehensive Career Transition Manual, and our Internet Job Search Guide.