

December 2004

[Letter from the Editor]

Dear Friends:

I'd like to share some cheerful holiday data with you. The TEC Confidence Index is a compilation of responses from 2,300 CEOs of small to mid-size companies, including mine. The small to mid-size business sector, made up of businesses with annual sales between \$1 million and \$1 billion, creates 75 percent of all new jobs and generates 80 percent of US revenue. Our collective opinions provide a leading indicator for employment, capital expenditure, sales, and revenue trends.

So what's up with small to mid-size CEOs for 2005?

- 83% anticipate higher total revenues
- 64% will increase headcount
- 60% + feel the economy is improving
- 57% plan increases in fixed investments
- 49% are going to raise prices, and
- 73% say that holiday bonuses will be the same or larger than last year.

The headcount push, which is higher in Silicon Valley than the rest of the US, is making it harder to find the people you need to find the people you need. If you need an interim HR person of any level, we can give you someone good fast, and we'll worry about pay rolling and managing them.

This month I'd like to thank Tess Lorico of Trianz for her friendship and support over the years and Marcia Stein for facilitating the introduction!

Take care,
Valerie

ASK VALERIE:

Dear Valerie:

Are employee retention factors different for companies acquiring other organizations than for companies growing organically? I can't find any literature on this, even in the big books.

-In Charge of Integration

Dear In Charge:

I went right to the source, and asked Fred Holland, our global HR/OD expert. "We have analyzed retention factors from the perspective of organic versus acquisition growth and believe they are basically the same. Both the current employee and acquired employee face external, organizational, and individual attribute issues. Employees going through any change process may feel ignorant and out of control. This causes more stress and uncertainty. Even if the corporate message is not positive, delivering it rapidly and clearly removes the guessing and results in a more productive and cooperative employee. There are two factors that may have increased weight for acquired employees: loyalty and value mentality. These you will have to deal with on a case by case basis."

Dear Valerie:

For the past 15 years my life has been focused on becoming an Olympic athlete, and last year I did not make the team. Since I'm not going to be the world's best, I need to find something else to do with my life besides pole vaulting and working part-time in a sports related job. I don't even like pole vaulting anymore. How do you recommend I do this? I can't seem to focus. My BS is in Sports, and I have most of a MA in Philosophy of Sports.

-Still Carrying the Torch

Dear Torch:

You've spent so much introverted time focusing on one sport that you need to look outward, broaden your horizons, and do some exploring. Ignore those who say you should focus. Determine your Holland Code (two dominant interests out of a possible six: Realistic, Investigative, Artist, Social, Enterprising, Conventional) through some career testing. Start off learning what your major interests are and how these translate into jobs. Also, you've worked under the umbrella of one organization for so long that it might be good to make a move. Meet some new people, learn some new processes, and see where it takes you.

Dear Valerie:

My company is growing, and we now have a problem where many people have VP or Director titles but are not really performing at those levels, and we need to put in real VPs and Directors above them. If we do this, they'll get upset and might quit. Ideas?

-Held Hostage

Dear Hostage:

You should talk to your employees now, because with each passing day, the message will become more difficult to deliver. You can bring in a neutral third party Compensation Consultant to do some surveys, check job classifications, and help deliver the messages, but it really comes down to telling people with brutal honesty that they are not where they think they are, and how it benefits them to get a boss who can help them get there. You think the better titles may free to give, but you will pay for them later.

SPECIAL EVENTS:

Stanford Breakfast Briefing: Nurturing Innovation in Companies Large and Small

January 12, 2005, Stanford University, Palo Alto, CA

This month's speaker will be Judy Estrin, Former CTO, Cisco Systems and one of Fortune Magazine's 50 most powerful women in American business.

Senior Human Resources Executive Weekend

January 14-16, 2005, Boca Raton, FL

Sponsored by the Conference Board, this weekend event offers the opportunity to network and discuss corporate challenges with top executives from some of the world's largest companies.

NCHRA's Finance Basics for HR Professionals

January 27, 2005, San Francisco, CA

Learn how to use financial analysis to align HR programs with your company's profitability and executive-level executive strategies.

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.

- Executive and board compensation
- Targeted compensation surveys
- Sales integration study
- Global Outsourcing
- Interim VPHR
- Strategic planning
- Asia expansion
- HR Process audit
- Executive coaching for teams
- Strategic planning for HR department
- Contract recruiting
- Layoffs following acquisition

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:

President/COO--Clinical Service Lab (Peninsula or US)
CFO--Clinical Service Lab (Peninsula or US)
Vice President, Sales--Clinical Service Lab (Peninsula or US)
Vice President, Sales--Electronics and Lighting (Asia-Pacific)
Vice President, Human Resources--Software (mid-Peninsula)
Vice President, Human Resources--Consulting (Silicon Valley)
Assistant General Counsel--Financial Services (San Diego)
Director, Product Marketing--Consumer Products (upper Peninsula)
Director, Human Resources--Manufacturing (Stockton)
Manager, Human Resources--Life Sciences (upper Peninsula)
Customer Service Manager--Electronics (Peninsula)

INTERNAL VF&CO POSITIONS:

Contract, Contract to RFT, and FT positions. Email your resume in MS Word format to recruiting@vfandco.com.

Experienced retained Executive Search Consultants
Executive Search Researchers and Candidate Developers
Contract Recruiters
Inside sales/sales support-entry level OK with great writing skills
Experienced, business development-oriented HR Consultants
Administrative assistant

RECENTLY CLOSED SEARCHES AND PLACEMENTS:

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)
Strategic Account Manager--Software (Germany)
Director, Compensation/Benefits/HRIS--Software (Mountain View)
Executive, Human Resources--Life Sciences (Auburn, CA)
Contract Recruiter--Software (mid Peninsula)