



CFO ADVOCATE

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ARE YOU PREPARED FOR YOUR NEXT TRANSITION?

The average Senior Financial Executive changes jobs about once every two years. I've met with a number of senior financial executives recently who are either in transition, or are about to be. Creating a resume is often a painful experience for financial professionals. It's tough for someone who is trained in thinking about the logical financial details of running a business to change mental tracks to practice creative writing. Many do a poor job with their first attempt. I have noticed a common theme on their resumes.

Financial executives usually do a good job of displaying their historical contributions. They tell about their responsibilities, and sometimes major projects they have completed, but that's where the story ends. There is no clear path to what value they can bring to their next career opportunity.

I like to see executives build a bridge to their next job. The financial executive must create a clear and compelling picture to the 'consumer' who may be their new boss. Executives need to show what problems they are prepared to solve in their new role. It's not enough to display history and expect the reader of the resume to have a clear understanding of what they can do for the new company.

I like to view a resume as an advertisement. As with print advertising, the goal is to catch the reader's attention quickly. The average resume receives only about 15 seconds of scan time by the reader. The primary reason why a Hiring Manager looks at a resume is because they have some type of problem that they are trying to resolve. Why not let them know right up front whether or not you are interested in solving their problem and whether you are prepared to solve their problem?

I believe the place on the resume for this description should be just below your name and contact

information. The heading could be something like "Key Strengths" or "Areas of Expertise" or another heading that you feel comfortable with. Under the heading should be at most 8 or 10 specialty

areas, each described in about 3 or 4 words, max. Arrange these descriptions in two columns for the optimal attention grabber. If you do a good job with your descriptions, the Hiring Manager will be more likely to review the remaining parts of the resume.

The rest of the resume would then flow under the heading of "Experience" or the like. This is where you support the areas described above. Some general tips:

- Avoid hiding your key accomplishments in long paragraphs.
- Use bullets to describe key accomplishments beginning each bullet with an action verb.
- Include dates of employment for each employer
- Include all of your prior employers
- Include dates of your College and Post-graduate education.

I just received a note from a CFO in transition who said "I started sending out the new resume format on Monday and I've already had 3 positive inquiries to the 11 that I sent. I never thought that the format would make that much difference but this is the best response I've gotten in quite a while. Thank you for bringing this to my attention"

If you would like to see a sample resume, email your request to me at Advantage Talent Inc. at mlevine@advantagetalentinc.com.

Happy hunting!

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Renewal offers are usually inferior to what new tenants are getting

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Part 1- HR Knowledge Management

- Michael Levine

STRATEGIES FOR RENEWING YOUR FACILITY LEASE

Renewal offers are usually inferior to what new tenants are getting.

Many tenants assume their lease will be renewed on reasonable terms and accordingly leave a perfunctory amount of time for the renewal to be handled. Then it turns out that the landlord's draft proposal involves substantially higher costs than anticipated. Because there isn't enough time to determine if a better alternative can be negotiated elsewhere, such tenants are stuck.

At the very least, you can bet that as a renewing tenant, your landlord will offer terms inferior to what is being offered to new tenants now. After all, new tenants are in the market shopping around. To attract new tenants, the landlord must be willing to match the competition in terms of rent, free rent, building systems, communications capability, security systems, electrical capacity, lobby appearance and other factors. But if you are a tenant interested in a renewal, the landlord presumes – and tends to be right – that you're not shopping around much. The landlord figures you're mainly concerned with avoiding the cost and disruption of a move, and he can probably keep you in the building without offering you nearly as much as he offers a new tenant.

If you assume the cost and disruption of moving are so high that your only good option is to renew your lease, it will become your only option. You will be a captive market, and you could easily miss substantial benefits your landlord offers as inducements for new tenants.

Here's a proven strategy for maximizing the value of any renewal -- even if you are 100% committed to staying at your current location.

1. Use time to your advantage

You need to start early enough so you have time for all the normal phases of site selection, financial negotiation and analysis, lease negotiation - - plus time to walk away from a bad deal and continue negotiations elsewhere if need be.

This means if you plan to renew at your current location, for a lease in the 20,000 sq. ft. range, you should be actively assessing your options at least 18 months before your target move-in/renewal date.

2. Understand your options in the marketplace

If you don't have a good idea what lease terms other tenants in the marketplace are getting now, then you have no way of determining whether a landlord's proposed renewal is a good deal or a bad deal. Your landlord's offer could easily be inferior to what tenants around Atlanta and across the country are getting, in which case it would qualify as a bad deal even though it might be an improvement over your original lease.

3. Use your inside knowledge of your current building and/or landlord's operations to formulate the terms of your renewal deal.

As a long-time resident of the building where you plan to renew, you have a key advantage that can help you secure improved lease terms. You know the physical characteristics of the building and how it has functioned in the past. If you have always been dissatisfied with the way the common area lavatories look, elevator waiting times, how the HVAC system functions, etc., your advisor should be specific about these issues in negotiating your lease renewal. Seek specific quantifiable improvements. Calculate a reasonable dollar value for each improvement to be made and stipulate a penalty or consequence if changes agreed upon are not made within an agreed-upon time period.

4. Analyze your current lease in terms of business and operational terms that have been inadequate, too costly, or not operated as you expected and intended they might.

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5. Let your landlord know you are actively seeking alternative solutions for your space needs.

Preserving good relations with a current landlord is often cited by tenants as a reason for “going it alone” when it comes to handling a lease renewal. The unfortunate effect of such a strategy is that it reinforces ownership’s belief that you have no options and don’t take the prospect of lease negotiations seriously. It’s a clear sign that you are prepared to settle for whatever is offered.

Handling a lease renewal should be treated like any other business operation -- the management team makes a reasoned assessment of all relevant options and selects the best fit. It’s important to let ownership know that this is your approach to whatever terms they might offer -- or expect you to accept in a lease renewal.

6. Understand what it will cost your landlord if you move out.

A common stumbling block in renewal negotiations is the undeniable fact that no matter how good a deal you will get by moving, you will also incur costs that may be substantial -- the cost of the physical move, new telecommunications wiring, perhaps costs of building out their new space that go beyond what ownership will supply, new stationery, perhaps new furniture, etc.

Yet the landlord, too, will incur substantial costs if you leave for more favorable terms elsewhere. For instance, potentially lost revenue, promotional costs, brokerage commissions, infrastructure refurbishment, demolition costs and build-out costs. In every situation, these costs can be quantified with a high degree of accuracy, and should be part of discussions with landlord to maximize the value you get as a renewing tenant.

The differential in these costs -- what a landlord will spend to attract a new tenant, and what they will spend to retain you -- can be substantial, and easily exceed a year’s rent. With an astute tenant representative and a properly structured negotiation -- some portion at least, of these savings, can be used to further reduce your costs should you elect to renew at a current location.

7. Be prepared to move if you can’t get market-rate terms.

Ultimately, if your analysis of the market, taking into account all relevant factors shows that a substantially lower present value occupancy cost will result from moving; this is probably the option you should select. Moving for marginal savings -- 2% or 3% -- might not be warranted, but if projected savings are 5% or more, this is likely to be your better option. No matter how specialized your facility, no matter how convenient its location, no matter what the cost of build-out, if a comprehensive site selection process, financial and lease analysis shows you can get better terms elsewhere, it may be time to move on.

Managing occupancy costs is a critical corporate responsibility. When landlords understand that lease renewals are not a “sure thing” and when tenants regularly subject lease renewals to an objective, market-driven process, the result is likely to be reduce occupancy costs across the board.

– James Fitzgibbon (jf@bmcrs.com)

Managing Human Resource Costs

Part 1 – HR Knowledge Management

THR is a fascinating challenge. HR staff, if you have any, is usually focused on people issues (hiring, training, and employee satisfaction). No one argues that hiring right, training properly, and keeping motivated employees is critical to corporate success.

To manage these areas, high people skills are required. HR staff resources are usually consumed with the tyranny of the urgent and are stretched very thin. If you, as the CFO, also have HR responsibility, then you know how overwhelming the task can be; particularly in the area of regulations and employee relationship management.

The dilemma is getting worse due to increasing litigation (2,000% increase since 1995) and employment regulations (40,000+ pages of federal regulations and thousands of constantly changing state and local regulations). If your company has multiple sites in multiple states, the challenge can be daunting.

Businesses need a comprehensive, cost-effective HR solution to meet their HR obligations without diverting time and money from their core business operations. Traditional approaches are to hire more junior HR staff, to retain attorneys, and/or to hire consultants. Certainly each traditional approach has its place – and high cost.

There is a low cost alternative to help you better manage employee relations and issues, reduce the risk of HR-related lawsuits and audits, and help you grow in a sustainable way. It combines the convenience of the web (24 hours a day 365 days a year) with information and resources at subscribers fingertips, personalized advice (real HR pros through email or

phone), and trusted expertise (average of 20 years HR experience for each professional).

In essence, this solution is an outsourced HR Service Center.

Resources includes employee handbooks, HR forms, Job Descriptions, terminology glossary, State and Federal laws, and >2,500 frequently asked questions. Access to HR Pros is an option. One HR Director told me that this service would save him 90%+ of the HR cost of attorneys and consultants. The Finance Director of the Wood Group stated, "...this is just what I needed." Jerry Cross, CPA & Peer Review Editor, Texas Society of CPAs stated, "The handbook, alone, is well worth the subscription fee."

Why am I covering this topic? At less than \$900 per license this is the most cost effective solution that we have found. Other readers may know of equal or better solutions – and I would be interested in knowing about them. When it comes to managing HR costs, there are now additional options that can help keep you legal, in control, and within a tight budget.

If you are interested in knowing more, email me at Jim.Villwock@IEMcorp.com.

The CFO Advocate Newsletter is designed to provide articles of interest. Please let us know of topics you would like to see in future editions.

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