

# We Thought You'd Like to Know

Vol. IV, No. 4

Fall 1997



Gene Siciliano, CMC

## We Thought You'd Like to Know

©1997 Western Management Associates

SUBSCRIPTIONS-\$48/YR.

8351 Vicksburg Ave.  
Los Angeles, CA 90045-3924  
310-645-1091  
fax 310-645-1092

E-Mail

CFOForRent@aol.com

Web Sites:

[www.expert-market.com/CFOForRent](http://www.expert-market.com/CFOForRent)  
[www.speaking.com/CFOForRent.html](http://www.speaking.com/CFOForRent.html)

*We are committed to helping business owners and corporate managers achieve for their companies greater financial success in an ever-changing economy.*

*Part-time Financial Management •*

*Executive Coaching •*

*Executive Search •*

*Management Seminars and Educational Products.*

Your CFO For Rent®

### Highlights from this Issue

*Coaching for Mature Businesses, Too! . . . . . 1*  
*Color Laser Printers Under \$3,000 . . . . . 4*

## New Client Report Coaching for Mature Businesses Too!



The newest client for our coaching services isn't the fast-growing, entrepreneurial business we typically serve. Tee-n-Jay Mfg. is a metal fabrication company, well regarded for over 20 years for its quality workmanship. It is also a successful family business midway through transition to the second generation, where most such businesses fail.

The challenge is not unusual: the father's skills built the business, and it's time for the son to develop his own strengths to

successfully carry on.

Our role: Financial and general management advisor to the son. Using an intensive program of weekly teleconferences and work sessions, we are initiating a series of changes in management practice, from job scheduling and worker efficiency to financial reporting systems that can be understood. What the company needs is not technical tools of their trade (they have those already), but rather the understanding of how all these tools work together to meet company/family objectives. We are helping them meet those objectives through management training and focussing techniques to achieve higher profitability.

Even for mature businesses, we are your CFO For Rent. ★



## The Speaking Circuit

Fall has been a busy time of year for our growing speaking and seminar business.

Engagements completed in the past couple months include:

Mone y, Mone y, Mone y - Making the Business Work, Invention Convention, Pasadena. The fundamental concepts of business from raising money to achieving business objectives for an audience of entrepreneurs and inventors.

Finance and Accounting for Business Valuation, Sanli, Pastore & Hill, Los Angeles. A customized, in-house program of finance for non-financial professionals on the staff of this top L.A.-based valuation firm.

Dreams to Dollars, Professional Speakers Bureau, Atlanta. A "showcase" talk on the value of effective planning to an audience of meeting planners.

Please see **SPEAKING**, p. 2

## Executive Search Notes

**W**ith the resurgence of the economy, we hear that rapidly growing companies are furiously searching for people to fill executive positions. Executive search industry publications speak of a richly profitable year for their constituent firms. But buyer beware. There are lots of people in “the search business” who don’t always touch all the bases as industry ethics requires. One key industry publication, *Executive Recruiter News*, laments the possible “hypocrisies” at some firms, resulting in high-risk placements and high replacement (do it again) search rates at some firms. We believe CEOs should use executive search firms for key senior positions, e.g. COO, CFO, because they’re the specialists in an activity that requires a specialist. But ask these questions of your prospective specialist before you proceed:

- ▲ Is the consultant who will do the search a generalist or an expert in the knowledge area required of the desired new hire?
- ▲ How firmly do you back up your work with guarantees (free or “cost only” replacement for 6 months to a year is the standard)?
- ▲ Do you get paid for your consulting services (as retained firms do) or simply to put someone in the job (the way contingency firms get paid)?
- ▲ Do you get paid more if you hire a higher priced person, or is the fee fixed for the assignment regardless of compensation?
- ▲ Since most placements fail due to personality/chemistry rather than technical expertise, how extensively do you test candidates you will recommend to us?
- ▲ How much do you need to know about our company—goals, culture, etc.—before you can proceed?

If you ask these questions up front, you’ll know whether this is a firm you want to work with. If you are also comfortable working with the consultant who will do the search, you have probably found the right firm. Of course, if a new CFO is your objective, we’d be pleased to have you ask us, because in that area we are truly specialists. ★

---

### SPEAKING, continued from page 1

Strategic Thinking - the Intuitive Side of Business Planning, “Second Thursday,” Beverly Hills. Talk and facilitated discussion on values, vision and mission to a CEO roundtable audience.

Winning Business Plans, Los Angeles Venture Association, Los Angeles. Panel discussion on business plans for raising capital and managing growth, to an audience of entrepreneurs, service providers and venture capitalists.

Creative Business Financing,

UCLA, Los Angeles. A breakfast talk on financing business ventures to the alumni association of the university.

Going Inside for Fun and Profit, Institute of Management Consultants, Reno. Panel discussion on the consulting niche of part-time executive management, to the Western Confab, IMC’s largest national conference of consultant-members.

If you would like more information on customized, in-house corporate training

## Leadership

*This article was written by Dr. Terry Paulson CSP CPAE, national vice president of National Speakers Association. We felt it had a great deal to say, and reprint it here without comment.*

**E**dward Yardeni, chief economist for Deutsche Morgan Grenfell, helps us see ourselves in a challenging but positive light: “Americans are prospering today because they are adapting to the competitive forces unleashed globally by the end of the Cold War and domestically by industrial deregulation.

American business has met increased competition by restructuring. Job security is no longer provided by unions or politicians, or through violent protests. Americans understand this. Europeans don’t. So we have job insecurity and lots of jobs, while Europeans have job security if they have jobs—unemployment rates are greater than 10% in France and Germany. You want security? Go to Europe. You want a job? The US is the land for you.”

What has saved us in America is that we woke up quickly to the enticing destruction of entitlement thinking in a world struggling to face the speed of change and global competition. No matter what happens with the UPS strike (*Ed: written in August*), the unions will never match their old power. America has a cultural advantage; at its core it does not support entitlement or victim thinking. Americans believe in the power of an individual’s dream.

Big companies are decreasing in size and influence, small flexible businesses are exploding, and Americans have no patience for waiting for Washington or unions to fight their battles. Give us an obstacle, and we will overcome it. That mentality fits the playing field we face. America is only 4% of the world’s population, and rather than protecting ourselves from the other 96%, America has realized the opportunity we have to grow our economy and our small and big companies if we serve that market. That is where the action is and American companies are streamlined and restructured to go where the action is and win. Are you doing your part to join the challenge? ★

## Managing People

### Discrimination and harassment awareness



Companies anxious to have a working environment free of these difficult issues struggle with education, re-education, and reinforcing awareness while adding employees, replacing turnover, etc. Most authorities believe, and we agree, that proactively creating a culture within your company where these attitudes are not tolerated or protected is the only way to protect yourself from problems. One proactive solution offered by consultant/lawyer Donald A. Phin, Esq., is a periodic compliance survey of employees. They offer forms and procedures for this purpose—employees are asked to advise their employer in writing that (1) they are aware of the company's policies, and (2) they are unaware of any violations of these policies.

Source: *Phin Enterprises, San Diego, CA*  
800-860-1200



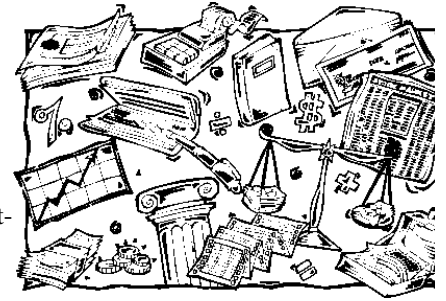
### Internet in the office

*Jorgensen's Journal*, a human resources newsletter, tells of recent survey results: "...developers of on-line gaming services report 40% to 60% of those who access their services have corporate .com addresses." Not surprisingly, more than half of executives surveyed felt employee effectiveness suffered from non-business Internet use. If this is not an issue at your company, is that because your employees are unique or because you haven't noticed? ★

Source: *Jorgensen, La Cañada, CA*  
(818) 790-1720

## Sales Talk

### Negotiating ideas worth remembering



I recently heard one of the best talks on negotiating skills I've heard in years, compliments of The Executive Committee (TEC). The speaker, Jack Kaine, presented some old ideas ("win-win" is best) in new ways and some new ideas in ways that make them immediately useful. Here are some of his "keepers:"

- ▲ Never want something so bad that you won't accept something else.
- ▲ Don't negotiate with yourself (by offering a discount from your regular price before the negotiation even begins).
- ▲ Don't over-rationalize or apologize for your prices. If you don't believe your product is worth it, you'll never sell the idea to a prospect.
- ▲ Don't negotiate until you educate. Make sure your prospect knows everything they'll get before they find out what it will cost.

With permission from J.W.Kaine, Ltd., Kansas City, MO, (816) 471-0404

## Sell price and die!

An overstatement, you say? Well, maybe, and maybe not. Those who predict that nearly everything except groceries and your dry cleaning will soon be available on the Internet are gaining adherents rapidly. Professional seminar leaders recognize that customer service, one of the hottest topics desired by corporate training departments, is about dealing with the reality that customers want more than just a good price. Whether you sell products or professional services, learn how to avoid the commodity selling approach of beating the other guy's price, or instantly giving in to price pressures. Points to keep in mind, according to *Salesmanship*, a newsletter published by The Dartnell Corporation, Chicago, (800) 621-5463:

- ▲ Resistance is natural. It's the buyer's job, after all, to get the best overall deal they can. Address objections rather than being shaken by them.
- ▲ Price is only one factor in a buying decision. Smart buyers consider other factors as well, such as product quality, service, your relationship with them, etc.
- ▲ Sell value. Good buyers want value more than they want a low price. The best discussion we've seen on how to sell value in services is *Million Dollar Consulting*, by Alan Weiss, McGraw Hill 1992.
- ▲ Avoid debate on the competition. Speak positively about your product's benefits, not the drawbacks of the competition. Your objective is to create in the mind of the buyer a vision of how their condition will be better when they buy from you, end of story.

## Your materials can 'sing' your praises

Technology now allows companies to outfit their sales brochures and other mailings with a voice chip. Originally designed for toys, these chips are sweeping the sales world, according to *Sales & Marketing Report*, a newsletter published by Ragan Communications, Chicago (800) 878-5331. Placed inside of brochures, the chips have a trigger mechanism that sets them off when the brochure is opened. Stock sounds—popular songs, a ringing phone, etc.—start at about \$3 per chip, while a lengthy customized message that you create can go as high as \$10 per chip. I got one from a speaker a year or so ago that produced audience applause when opened. I still have it, and I know where I keep it and who it came from. Hmmm. ★

## For Your Computers

### Update on color laser printers

At least one technical writer believes black and white printers are on their last days. While that may be overstating the case a bit, this is largely a price-driven decision, we believe, and prices are coming down. We've seen the inkjet prices drop like a shot, and now lasers are starting to appear in reasonable ranges for most offices. Our view of "reasonable" means under \$3,000 (most are \$3,000 to \$5,000), with 600 dpi or better resolution, suitable for the kind of graphics applications that make them cost-effective for office use. Based on the latest information we have, two just released new printers fit that template:



Model	Resolution	Speed, color	Speed, mono	Street price
Minolta Color PageWorks	600 x 600	3 ppm	12 ppm	\$2,999
Panasonic KX-P8410	600 x 600	3.5 ppm	14 ppm	\$2,995

Only drawback: speed. These machines are still delivering color output at "dark ages" speeds of 3 or 4 pages per minute, and that just isn't good enough—yet. Stay tuned.

### Choosing a Pentium-class processor

As we upgrade or replace older PCs, we are faced with the choice between several Pentium-type machines, at widely varying prices. Which to choose? Dana Shultz CMC, a nationally known computer technology consultant and speaker, has these rules of thumb to help the decision process:

- ▲ If price is your main consideration, and you will never have to run multimedia applications, buying straight Pentium is probably the way to go, as prices have never been better.
- ▲ If multimedia applications are on your needs list, Pentium with MMX technology produces quicker screen display, particularly for products optimized for MMX machines.
- ▲ For high performance computing, such as WindowsNT servers and workstations, consider Pentium Pro, designed specifically for 32-bit operating systems.
- ▲ For the best blend of high performance and multimedia capability in a PC application, Pentium II is Dana's recommendation.

*(Ed.:As a lower cost alternative, you might consider the Cyrix processor/PC, faster in independent tests and lower in cost than Intel MMX-powered units. We use an earlier version and the price performance is excellent.)*

So, what was the question again? Call Dana at (510) 420-8414 and ask him.

### So the story goes...

We heard this one directly from a Microsoft engineer, who identified himself only as Anon:

It seems a Microsoft hardware engineer and a Microsoft software engineer were in a Jeep traversing a mountainous road when the Jeep went off the road and rolled end over end to the bottom of the hill. Upon pulling themselves out of the wreckage, the hardware engineer wanted to take the vehicle apart to find out why it happened. The software engineer, however, wanted to take it back to the top to see if it would do the same thing again. ★

## Personal Stuff

### Heading for New York?

Get house seats to Broadway shows and impress your clients. How? Call the Actor's Fund of America and ask for "Fund Tix." They're at (212) 221-7300. The tickets are double the price, but half goes to charity, and the seats are great. For brief descriptions of Broadway shows, call (212) 563-2929.

*Source: Manager's Intelligence Report, Sept. 1977*

### Yep, it's true . . . AAA is cheaper . . .

Our last issue told you of a report that Auto Club travel discounts are much better than corporate rates. Having tried it for several months, and gotten feedback from other travelers, we can confirm that the savings is large enough often enough that you should always ask. We have improved on corporate, AARP and even "convention special" hotel and airline rates, just by mentioning those three magic letters (or one magic letter 3 times, if you prefer). If you travel, AAA membership pays for itself almost instantly.

### 'Low Cost' life insurance

That title may be an oxymoron for most readers, but you can compare the relative cost of whole life insurance if you follow the pronouncements of those who watch the industry. A recent A. M. Best historical survey ranked 10- and 20-year whole life policies as to net cost (after dividends) over a 20-year period. Here's how the majors ranked:

- Ameritas Life - 40
- Equitable Life - 15
- John Hancock - 9
- Mass. Mutual - 24
- Metropolitan Life - 17
- Mutual Life of NY - 11
- New York Life - 27
- Northwestern Mutual - 3
- State Farm Life - 2
- USAA Life - 1

★