



**PRESIDENT / CHIEF OPERATING OFFICER**  
**PERFORMANCE-BASED POSITION PROFILE**

**OVERVIEW:**

[Company] is a \$25MM California-based supplier of environmental simulation test equipment for the automotive and component industry. The company's primary market has been automotive, and it also serves other market sectors, including aerospace, industrial, electronic, food processing and storage. After more than 50 years in business, the company operates at a high profit margin and has no debt.

[Company] possesses a premier group of managers and engineers, providing the company with a distinct advantage over its competitors. The company has the ability to profitably design, manufacture and coordinate the turn-key delivery of products with proven system performance and on-time completion. The company is poised to capitalize on favorable trends in the market, including overall demand for more testing and international demand for this type of product.

To capitalize on its core competencies and the increasing demand in the market, [Company] is seeking a new **President/COO**, who can drive the company into new markets and products, while creating a level of success commensurate with the company's resources and potential. This hire will be a replacement of the incumbent, who will be taking on an advisory role during the transition.

**SCOPE OF OPERATIONS:**

The company currently employs [xx] salaried and [yy] hourly employees, configured as shown on the organization chart at the end of this document.

**PERFORMANCE OBJECTIVES:**

The President must achieve certain critical results in order to meet the goals for this position. These are as follows:

1. **Organizational Assessment:** Within 30 days of arrival, the President must develop an understanding of the organization, with a focus on its capacity, strengths and weaknesses, and the individuals in the company. From this assessment, the President will create a short-term action plan to address the items below.
  
2. **Identify Markets:** The company currently has no formal marketing or sales function. The Product Managers seek new work, capture it, and perform it. To date, the company's focus has been on the automotive sector. To capitalize on the company's capabilities and obtain work in new areas, the President will conduct a market analysis to identify other applications of the company's technologies, including possible licensing opportunities. The President may elect to hire a marketing person for this function. It is essential that the President open new markets by the end of one year.

3. **Restore Profitability:** The company is recording a loss for this year, for the first time in 10 years. The President must address several critical areas that will impact profitability, including:
  - Customer management: Bring discipline to the process of limiting change orders and staying on top of contract costs at all times;
  - Project execution: Ensure that the bid and contract are written correctly and that the contract is in alignment with customer expectations;
  - Company management: Implement greater structure and discipline with regard to goals, benchmarks, and plans to achieve them;
  - Engineering: Hire an engineering manager and ensure that design efficiencies and cost savings are consistently built into projects.
4. **Team Building:** The company has a talented group of key individuals, who can perform to even higher standards. The President must rapidly evaluate this group, learn the company culture, loyalties, limitations, etc. The President must then develop and implement a plan of optimizing the performance of all key individuals. This may include:
  - Analyzing individual skills vs. current job roles and reassigning individuals as needed;
  - Adding staff to support key individuals and facilitate greater productivity;
  - Replacing people not capable of performing to higher standards;
  - Providing leadership - giving each key individual goals, motivation and support to achieve those goals.
5. **Equipment Evaluation:** The factory now operates at 1/3 of its capacity. The President must evaluate the facilities and equipment, taking into account potential new product/market areas discovered in the marketing phase, and provide for new or modified equipment to meet the company's needs.
6. **Exit Strategy:** The financial investor would like to see a capital payout within a few years. The President has two areas of responsibility in connection with this goal: maximize the value of the company through improved operations, revenue, and profitability and facilitate the payout. Several strategies could be employed for this purpose, including a buyout by the President and/or the senior management team, a private sale, or a public offering.
7. **Establish Rep Organization:** As the company moves into new product offerings, it will be increasingly valuable for the President to establish a sales channel through independent representatives.
8. **Board Interface / Business Plan:** The President will report to the board on operations on a quarterly basis and present a business plan once per year. The President should be prepared to present a business plan to the board, outlining financial projections, marketing plans, and overall business goals.

### **PERFORMANCE EVALUATION:**

The President's success in achieving the above objectives will be measured by the following:

- Return to profitability - First year goal is 5% return on sales.
- Increased revenue - First year goal is \$[xx] mil.

- Organizational assessment and short-term action plan in place within 30 days.
- Marketing plan in action. New markets identified within 90 days. Penetration of markets in action by end of first year.
- Company is trending away from automotive concentration. First year goal = 45% of revenue in automotive, 25% of revenue in 2<sup>nd</sup> and subsequent years.
- Key individuals are performing at optimum levels by year end, as evidenced by revenue and profitability.
- Equipment plan in place within six months.
- Exit strategy is incorporated into business plan.
- Rep channel is established within six months.
- Updated business plan presented to board.

### **BACKGROUND AND EXPERIENCE:**

The ideal candidate will have the following type of education and work history:

- BS in Business or Marketing, or, an MBA following a degree in Engineering.
- 20 years of increasingly responsible business management experience, preferably at a variety of firms, including large and small companies. It is strongly preferred that the President have experience with a small, privately held company and have experience working with a private board.
- Experience in testing equipment and systems is strongly preferred. The ideal candidate will know how to sell testing products and systems into a variety of industries, which could include electronics, integrated circuits, aerospace, agricultural equipment, biomedical and others.
- Must be a hands-on leader who is very comfortable visiting clients on short notice and utilizes a ***Management By Walking Around*** approach.
- Must have experience building and/or significantly strengthening a company, as well as experience in restoring or significantly improving profitability.

### **PERSONALITY AND CHARACTER:**

The ideal candidate will have a unique set of traits including:

- Results-oriented
- Works well under pressure
- Likeability
- Open communicator
- Team player, and team leader
- Creativity balanced with discipline
- Hard-working, persistent and energetic
- Entrepreneurial spirit (*fire in the belly*)
- Flexible, easy-going work-style
- Hands-on, roll up sleeves approach
- No ego
- Credibility and integrity

**REPORTING RELATIONSHIP:**

The President will report to the Chairman of the Board and CEO. The Chairman has responsibility as the CEO of several other companies owned by the same financial investor that owns [Company]. The CEO expects to have a close working relationship with the President and must be kept in the loop on all significant issues, especially in the first few months. His management style is to be actively involved, but largely let the President do things his/her own way. He is easy-going in style, yet decisive in taking action. He takes responsibility when wrong and attempts to provide positive reinforcement appropriately and consistently.

The CEO attends the President's weekly senior staff meeting once monthly in person and participates via speaker phone at other times. The President will "meet" with the CEO, either personally or via telephone, once weekly to discuss issues raised in the staff meeting.

The President will not initially be a member of the board, but could become one at a later time. In addition, the title of CEO may be added later, if warranted.

**COMPENSATION:**

A base salary in the area of \$[xxx]K is anticipated, with a bonus of up to [yy]%, based on meeting specific performance objectives. Company benefits include a 401K plan, profit sharing, and medical and dental insurance (with choice of plans). The President may be offered a car allowance and cell phone. The President will be offered some form of equity appreciation rights, which will enable him/her to benefit from increases in the company's value. As well, the company will make available shares for purchase, should the President wish to invest in the company. Senior management currently owns one-third of the company.

