

## The Numbers Game of Compensation

MARCH 19TH MEETING:

**Brent Longnecker**, Chairman & CEO Longnecker & Associates



Brent Longnecker

Executive compensation is a highly complex situation, specifically in the world of the CFO and the financial teams of organizations. This presentation we will discuss the current compensation trends and issues, and how companies, both private and public, can arm themselves to best motivate, attract and retain talent. Mr. Longnecker will also discuss the ever-widening talent gap in the workforce that has all organizations putting compensation high on the agenda at board meetings.

**Brent Longnecker**, CECP, CCP, CBP, CCC, is CEO of Longnecker & Associates, and a leading expert in strategic compensation, corporate governance and human resources planning. He is on the board of directors of two companies, one of which he chairs the compensation committee. Author of more than 350 articles on executive pay, ethics and business, Longnecker consults with companies all over the world in the area of strategic human resources, including executive and board remuneration. He has authored 14 books on pay and was selected by Consulting Magazine as one of the Top 25 Consultants in the U.S. He is a frequent keynote speaker and serves on the faculty of WorldatWork. He earned a BBA and an MBA from the University of Houston and continues his education at Harvard in the field of governance.

## Consider Cloud Computing as Part of Your Overall IT Strategy? Fact or Fad?

MARCH 19TH PROFESSIONAL DEVELOPMENT SESSION:

**George Brown**, SVP, The Rand Group LLC



George Brown

**It's 2013, and if you haven't at least started to contemplate the Cloud as part of your overall IT strategy, you could be putting your business at a significant cost disadvantage versus the competition. This is a fact. Learn about the Cloud as a business-driven phenomenon born out of the executive mandate to dramatically reduce the cost of IT while maintaining or improving security, availability, and stability. George Brown will tell you why you should start considering the pros and cons of moving to the Cloud and what IT elements can be moved to the Cloud now.**

Accomplished and forward thinking, **George Brown** is a Senior Vice President with over 30 years' experience in strategically propelling businesses forward. An enthusiastic entrepreneur with a drive to transform business operations through out of the box thinking, George has been an integral part in helping global companies produce significant revenues. A thought leader and pioneer in the areas of Cloud computing, Sales Automation, marketing automation, and implementation methodologies, George has worked on strategic projects with such companies as Microsoft, Deloitte, BDO, HSBC Global Bank, Global Sources, and Computer Associates.

## Monthly Meeting & Professional Development

Tuesday, March 19, 2013

LOCATION:

**Houston Country Club**

1 Potomac Drive  
Houston, TX 77057

» [map to location](#)

AGENDA:

Professional Development Session (4:30pm)

Social hour (5:30pm)

Dinner (6:30pm)

MEETING SPONSORS:



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## FEI Houston Chapter

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Chapter Administrator: Terry K. Newton

# A letter from the president



Greetings,

So far 2013 has been a dynamic and exciting year as the Houston chapter implements a number of membership value initiatives. The new chapter website (now launched in Beta) will allow more efficient and effective chapter operations, governance, membership tools and added features for sponsors. The Membership and Program committees are expanding programs and we are poised to announce additional continuing education opportunities this summer. Our vision is to provide members with all the CPE they need each year through membership in FEI.

Our February 5th dinner honored twelve scholarship students from southeast schools. Steve Lufburrow, president of Goodwill Industries discussed his life's work at Goodwill to a highly attentive audience. A great indicator of the quality of the speaker is measured by the number of questions from the audience and requests from attendees on how they can book the speaker. By this measure Mr. Lufburrow was a great success.

The annual Valentines Dinner was held this year at Brennan's. Attendees were treated to a four-course dinner of Brennan's finest cuisine paired with four outstanding wines. Many thanks to Colleen Estes and the planning committee for organizing this event.

Brett Longnecker, is our dinner speaker March 19th on "Executive Compensation Best Practices." This topic is timely as we all face the challenge of recruiting and retaining our human capital.

The Rand Group is our Platinum sponsor in March and we appreciate Rand's commitment to our chapter. Please thank their representatives for the increased support in 2013 to FEI in both Houston and Dallas. George Brown, EVP at Rand Group will speak at the afternoon professional development session on "Cloud Computing as Part of your Overall IT Strategy." EXL Service is our Gold meeting cocktail sponsor and we appreciate their support.

Please note that April 4th is our first ever monthly chapter breakfast meeting in conjunction with the National Association of Corporate Directors. The meeting will be at Houston Country Club.

Sincerely,

**Eric Khan**  
President

## ELECTION

**Members-in-attendance at the March dinner will elect the new Officers and Directors, following nominations by the Immediate Past President. Plan to attend!**

## FEI Houston Officers and Committee Chairs

### President

Eric Khan, The Rand Group, LLC

### President-Elect

Phil Denning, Shell Oil Co.

### V.P. – Programs

Blair Habuda

Joe Abell

### V.P. Membership

Suzanne Hauser, BP

Frances Powell Hawes, Hawes Interests

Elizabeth Wilkinson, Resources Global Professionals

### V.P. Sponsorship

Rebecca McCulloch, HSBC

Brett Clapsaddle, InterMarine Incorporated

### V.P. Academic Relations

Tony Van Slyke, Goodwill Industries of Houston

### V.P. Prof. Development

Maurice Nassar, Robert Half

Sherrie Reinhackel, Cockrell Interests

### Secretary

Jennifer Whitley, Far East Energy Corp

### Treasurer

David Boersma, Foro Energy

### Immediate Past President

Chuck Fischer

### Member Career Services Chair

Kevin Hanratty, Astoundry, Inc.

### FERF Liaison Chair

Bob Baumgartner

### Social Events Co-Chairs

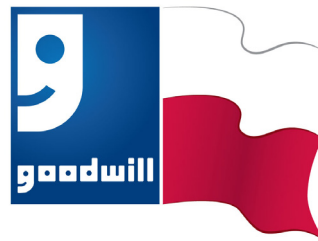
Colleen Estes, Sirius Solutions

Todd Ruden, Cardtronics, Inc.



**Tyres Dickerson** is a Goodwill Houston employee and former high school football star. While attending the University of Texas on football scholarship, Tyres and friends were struck by a drunk driver in their vehicle. Tyres is a paraplegic as a result of the accident, but it has not stopped his incredible work ethic and desire to lead a normal life. As a result of his amazing accomplishments, **Tyres was recently awarded "Achiever of the Year" by Goodwill Industries International (GII)** and will be recognized at a national GII conference this summer.

Tyres Dickson with Colleen Estes & Mark Haukohl



## 2013 Valentine's Dinner



Jim & Diane Davis, Colleen Estes & Jim Storfer



Brennan's of Houston, February 16, 2013 Valentine's Wine Dinner



# Time for the cloud

Contributed by Rand Group LLC, Platinum sponsor

**It's 2013, and if you haven't at least started to contemplate the Cloud as part of your overall IT strategy, you could be putting your business at a significant cost disadvantage versus the competition. This is a fact.**

## Why?

First of all, the Cloud should not be considered the latest technology fad. It's not hype, it's not marketing and it's not only for consumers. It is a business-driven phenomenon born out of the executive mandate to dramatically reduce the cost of IT while maintaining or improving security, availability, and stability. It is about consuming technology in a different way; as an operating expense rather than a capital expenditure. There is a reason the US Federal Government mandated that all areas of government look at Cloud computing as a first source, when looking to acquire new technology.

In today's economic climate, the reality is that capital should be preserved for uses that directly generate or grow revenue. Most technology, while necessary, simply doesn't meet that test. So IT expenditures, like all operating expenses, must be kept in line and if possible, reduced.

## Enter the Cloud

Think of technology as a utility, like electricity. Your business can't operate without it, but you don't buy and maintain generators to provide the electricity you need. You buy electricity from a supplier instead, as you consume it, at a far lower cost than you would pay if you produced it yourself. This is much the way Cloud computing works.

### The core benefits of the Cloud computing are:

1. Cloud solutions require little to no capital outlay. They are consumed on a subscription basis with all aspects of the offering provided by the supplier, thereby requiring no major upfront investments in software, other licenses, or hardware. Services are the only investment required.
2. Cloud solutions cost less and are forecasted to continue to reduce in cost as more competition comes on line. Because Cloud offerings are provided by larger entities (Microsoft, Google, and Amazon) that effectively aggregate volumes and thereby achieve scale economies unavailable to all but the largest enterprises, a business can typically lower its overall technology costs. You also do not need internal technology resources to maintain Cloud offerings; that is taken care of by the supplier, as part of the subscription.

3. Cloud solutions are more flexible. An organization can use as little or as much Cloud technology as is needed, scaling capacity up and down without incremental infrastructure costs. You pay only for what you consume, and always have access to as much as you need.
4. Cloud solutions decrease risk. Because Cloud offerings are "evergreen" services, there is no risk of the technology becoming obsolete. You are always using the most recent version of any particular technology, and do not periodically need to rip out the old and replace it with the new.
5. Cloud solutions are secure. Arguably, your data is safer in the Cloud than on servers in your business, given modern safeguards. Every aspect of our personal finances are stored and accessed in the Cloud these days, for example, and we think nothing of that.

To be sure, you can't move all your technology to the Cloud overnight, nor should you even try. Some IT elements that you need to operate your business simply aren't available as Cloud offerings yet, or at least aren't ready for prime time in the writer's opinion. Other technology may be specific to your business and a source of competitive advantage, so it shouldn't be moved. The fact is, you will be operating in a "hybrid" environment (some cloud and some legacy application) as it relates to technology for some period of time. But the important thing is to identify where you can achieve long-term reductions in your technological cost structure today, and start realizing them by moving those more "generic" IT elements to the Cloud. In one case study from 2012, a medium sized financial institution moved 2000 of their investment advisors office productivity and email to the cloud and in so doing, cut their annual IT cost per FTE by 75%; this was a significant cost saving in the mind of the CFO.

And your competitors are moving, if the growing demand for Cloud solutions is any indication. Forrester Research currently pegs Cloud computing expenditures at more than \$40b globally, and growing at over 20%<sup>1</sup> per annum. Clearly, this is no passing fad.

We believe that all businesses must start the process of considering the pros and cons of moving to the Cloud and prepare to capitalize on this opportunity both from a cost reduction point of view, as well as a scalability perspective. There are significant issues to consider as any business contemplates this move, so having time on your side and not being in a reactive mode will assist in driving the right strategy going forward. The best place to start is always by re-visiting your overall IT Strategy and how it supports the business needs over the next 3 – 5 years.

<sup>1</sup> Based on an analysis of Gartner Group, Forrester, IDC, Wall Street Journal, and MarketsandMarkets.com projections and forecasts.

# 2013 Academic Honors Day

A special thank you to Goodwill Houston

The 2013 Academic Honors Day was a huge success thanks to our host company Goodwill Houston who graciously opened the doors of their organization for this annual event. Goodwill Houston provides job training, education and placement to individuals with disabilities and other barriers to employment. The scholarship recipients from the twelve southeast Texas universities heard a powerful and inspiring message from the President and CEO of Goodwill Houston, Steve Lufburrow. The students also received a tour of the corporate headquarters of Goodwill Houston and the company's Swain Center. The Swain Center provides contract services such as shrink wrapping, packaging and collating for local Houston businesses and is staffed by individuals with a variety of disabilities. In addition, the students heard and were able to ask career oriented questions of our panel comprised of an employee from each of the following organizations, Deloitte, ExxonMobil, Halliburton and Hein & Associates. The students and faculty commented on just how special it was to spend the afternoon at Goodwill Houston. Here are a few of the comments about the day.

*"Tuesday was truly an amazing experience and I am honored to have had the opportunity to attend. I want to take this time to thank you and all the FEI members for making the scholarship possible. Everyone was very welcoming and approachable. Goodwill Industries is an inspiring and motivating company. I am touched by the mission of the company and feel fortunate to have learned about it first hand. Once again, thank you for this opportunity."*

**Nicole Canestrini**, scholarship recipient Sam Houston State University

*"Thank you, the kindness that you and your Goodwill family showed me during my tour at the complex and the country club was truly humbling, and I appreciate FEI making me one of the 2013 scholarship recipients. What you have done was made an investment into a young man that has his head on straight and will possibly one day be a successful CFO. This scholarship will now allow me to purchase some much needed books for class, and most importantly give me the confidence that my hard work and diligence is paying off. God Bless you, and thank you so much!"*

**Dave Westerfield**, scholarship recipient Prairie View A&M University

*"Nice meeting you yesterday at what I thought was a terrific event. FEI is to be congratulated for the effort I know it takes to raise funds for these scholarships. On behalf of Dean Ramchand and all of us here at Bauer College, thank you for making us a part of this worthy program. Every student and each participating university should be proud of these recipients. Clearly the entire organization is behind this judging by attendance. Thanks for including us in this wonderful event! I enjoyed the day."*

**John Reinert**, Director Corporate Development, C.T. Bauer College of Business, University of Houston



Speaker Steve Lufburrow, President & CEO of Goodwill Houston & Chapter President Eric Khan



## Scholarship Recipients

**Hira Ahmad**, Houston Baptist University

**Ben Keith Carpenter**, Lamar University

**David Nehemiah Westerfield**, Prairie View A&M University

**Kirker Edward Oliver**, Rice University

**Nicole Brianne Canestrini**, Sam Houston State University

**Katie Cene Lightfoot**, Stephen F. Austin University

**Garrett Joseph Blake**, Texas A&M University

**Gloria Nikenna Ukaegbu**, Texas Southern University

**Nicolaus Gonzalez Sullivan**, University of Houston

**Michael Brendan Taylor**, University of Houston - Clear Lake

**David Proano**, University of Houston - Downtown

**Fataoumata Toure**, University of St. Thomas



**MARK YOUR CALENDAR!**

## Annual Golf Tournament

April 23<sup>rd</sup> - Blackhorse Golf Club

The Houston Chapter Golf Tournament will be held on Tuesday afternoon, April 23rd at Blackhorse Golf Club in northwest Houston. The cost is \$75 per member (a \$200 value) and includes lunch, driving range, greens fee, snacks, beverages and dinner with open bar. Your first guest is free; second and third guests are \$75 each. This is a fun event for golfers of all abilities (or no abilities). There are cart goodie bags for all golfers (including the ever popular bottle of wine), a putting contest, awards and raffle prizes.

You will receive an email with registration information soon and can also register at the March meeting. The registration deadline is April 15th. Contact Todd Ruden at 832-308-4150 or [truden@cardtronics.com](mailto:truden@cardtronics.com) with any questions.

## Upcoming Events

### Mar 5 Mitigating Your Risk With Anti-Corruption Compliance

Questions? Contact Melanie Leedham; (540) 740 2918 | [Melanie.leedham@infor.com](mailto:Melanie.leedham@infor.com)  
12:00 p.m. Eastern | 60 Min | 1 CPE Credit(s) available

### Mar 19 EITF Roundup: Highlights from the March Meeting

Questions? Contact <http://www.usdbriefs.com/dbriefs/contactus2.htm>  
2:00 PM (Eastern) | 90 Min | 1.5 CPE credit(s) available

### Mar 20 Ernst & Young Q1 Financial Reporting Update

Questions: <http://www.ey.com/GL/en/Issues/Thought-Center-Webcasts-FAQ>  
1:00 p.m. Eastern | 90 minutes | 1.5 CPE credit(s) available

### Mar 20 Member Benefits 101: Getting to Know Your FEI!

This webcast will give you indepth insights into your FEI membership benefits and career service offerings as well as updates on technical committee activities, and new research efforts from FERF (Financial Executives Research Foundation).  
2:00 PM (Eastern) | 11:00 AM (Pacific)

### Mar 21 Is Your Company Prepared for Today's Risks?

Hosted by Robert Half | 1:00 p.m. Eastern | 60 minutes | 1 CPE credit available

### Mar 21 The Last Mile of Finance: Efficiency, Transparency, and Cost Reduction

Questions? <http://www.usdbriefs.com/dbriefs/contactus2.htm>  
2:00 p.m. Eastern | 90 minutes | 1.5 CPE credits available

## FEI Houston Chapter Directors

Frances Powell Hawes, Hawes Interests  
Bruce Misamore, Yukos Oil Company  
Kevin Dartez, Situs  
Jeff Curtiss, KBR  
Chris Brewster, Cardtronics, Inc.  
Michael J. Vitek, 212 Resources  
M. Colleen Estes, Sirius Solutions, LLLP  
Chris Matlock, Lookout Capital Management  
Terry Sanford, Design Tech Homes

## Save the Date!

Next meeting Apr. 4, 2013

Joint Breakfast with National Association of Corporate Directors

### Reminder:

HCC Dress Code after 6 pm for men is coat and tie. Cell phone use allowed in the phone room only or outside. Please ensure your guests are also aware of these requirements.

## New Members - March 2013

### Joseph R. Blakemore

Enterprise Fleet Management

### Carlos Canales

Precision Additives

### Kurt Keller

Navasota Energy Services

### Durg Kumar

Formerly: CFO Norma Group

### Andrew B. Nobbay, CPA, CMA

Occidental Petroleum Corp.

### Paul Stenner

Express Energy Services

### Debra Tower

CPA Halliburton Company

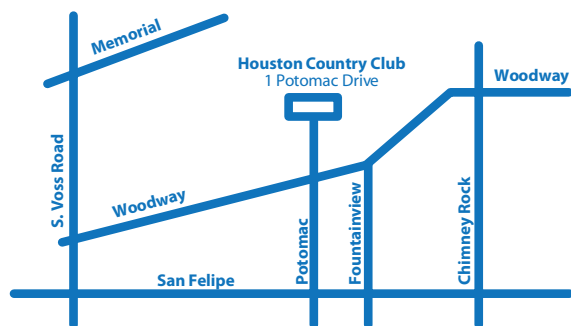
Members, please be sure to notify the chapter office when you have a change in contact information. Also, notify FEI: 973.765.1000, ext 2.

### Mar 27 Quarterly Accounting Roundup

Questions? <http://www.usdbriefs.com/dbriefs/contactus2.htm>  
2:00 p.m. Eastern | 90 minutes  
1.5 CPE credits available



## March 19th meeting information



**LOCATION:**  
**Houston Country Club**  
1 Potomac Drive  
Houston, TX 77057

**AGENDA:**  
**Professional Development Session (4:30pm)**  
**Social hour (5:30pm)**  
**Dinner (6:30pm)**

## 2012-2013 Strategic Partners

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#### Contact:

Rebecca McCulloch  
rebecca.mcculloch@us.hsbc.com *or*  
Brett Clappsaddle  
brettclappsaddle@imi-houston.com



## Meeting Fax/Mail Reservation Form

Register online at <http://www.feihouston.org>

**Mail to:** P.O. Box 631206, Houston, TX 77263-1206 or Fax to: 713.776.1308

One form per registrant please, photocopy as necessary. **Reservations Required** by 3:00 pm 2 business days before the meeting. Reservations may be canceled without cost as late as noon the day before the meeting. **"No-shows" will be billed \$90.**

**Meeting Cost:** No charge for Chapter Members and 1st time prospective members. Guests -\$90/person (guests & prospective members must be accompanied by member)

Attendee Name

Organization

Street Address

City / State / Zip

Phone

Fax

E-mail

**Please select one:** ☐ Chapter member ☐ 1st time prospective member

☐ Spouse (name) : \_\_\_\_\_

**Payment method:** ☐ MasterCard ☐ Visa ☐ Amex

Credit Card #

Expiration date (Month/Year)

Name on card

Signature

Billing address (street address, city, state and zipcode)