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Welcome to the New “UnNormal”

Reading the end of the year and current forecasts for the U.S. economy is an experience likely to cause whiplash. While there is agreement that the recovery is underway, and that there are more jobs being created, there is little agreement about the strength of the recovery and the amount of new jobs on the horizon. There is even less consensus on what needs to be done to jumpstart new jobs. Is this the new “UnNormal?”

The new UnNormal is when you can’t make predictions based on facts and figures like before. The new UnNormal is when past behavior doesn’t indicate a future course of action. The new UnNormal is the result of changing, disruptive circumstances that produce wildly different outcomes than what we saw historically and demand new ways to do business to achieve goals.

What changes and disruptions do we have to think about going forward? Here are a few:



We need jobs. California lost 1.25 million jobs in the recession. But data shows that there has been anemic job creation for the past decade. In the expansion of 2002-2007, American businesses created jobs at less than half the rate, relative to GDP growth, seen in the expansions of the 1980s and 1990s. And while Obama’s record of creating jobs in the last 21 months surpasses all of the jobs created under Bush’s eight years in office, the creating of new jobs must be a top priority.

No jobs means no new housing formations, which means no new housing construction, which means continuing high unemployment.

The jobs that were lost in the recession aren’t coming back due to a major reset of the U.S. economy. A high percentage of the unemployed aren’t employable in the 2011 economy because of their limited skill sets mismatching to the jobs being generated.

Education in California is on a speeding downward trajectory just when we need more students college and career ready. We will never compete in the global economy if we don’t fix this.

Doing business as usual will doom your company.

Everything is faster and more connected – and bad news travels faster than anything.

Corporations are sitting on trillions that they didn't earn in the U.S.-- 47% of all revenue for Fortune 500 corporations came from outside the U.S. Now is the time to invest in top line growth and put that cash into action to help create jobs.

The fiscal crisis in government is coming to a head in 2011. Cities and counties can legally go bankrupt. And while states are legally prohibited from filing for bankruptcy, there is much talk about changing federal law to allow states to go bankrupt so they can restructure their operations and debt. According to the Los Angeles Times, "California ranks 3rd last in financial-strength test" (January 5, 2011). The index devised by investment bank, BMO Capital Markets, combines measures of economic and employment health, bond quality ratings, home price movements, tax collections, and actual and projected budget deficits from 2009 – 2012. Despite the fact the economy has grown for six straight quarters, all but four states registered negative financial indexes. California "clocks in with an index reading of -9.9%, ahead of Arizona and Illinois, who tied for last at -10.7%. The average index reading for the 50 states is -3.3%.

Driving the fiscal misery of the state and local governments is the cost of public pension liabilities and health insurance. While union membership has declined since 1983 in the private sector, from 20.1 % to 6.9%, that has not been the case for public employees. According to Bloomberg.com, Union Membership in Companies Slumps to Record Low 6.9% in 2010 (January 21, 2011), but "unions represented 36.2% of workers in public sector jobs." Without public pension reform, there is no fiscal health for our municipalities.

The new UnNormal means we are living in chaotic times, requiring mental agility and flexibility to cope and thrive with change, disruption and uncertainty.

Predictions for Business in 2011

There will be more risk and uncertainty. Cyber security to protect communications, banking and other critical systems must improve – these networks are under constant attack and current defenses aren't comprehensive or capable of fending off these increasingly sophisticated attacks. And with game-changing cloud computing here to stay, the risk is exponential.

The easing of the recession will trigger the movement of top performing employees to go to work at companies where they feel more appreciated and/or to start their own businesses. 67% of employees in a recent survey said they are planning to look for work elsewhere as the economy improves.

Social media will continue to shape relations between businesses, customers, vendors, media and public sector. From crowdsourcing to recruiting to marketing to purchasing – social a mainstay in communications and operations.

Outsourcing, contracting and public/private partnerships will business change their models to adapt to more austere and heightened competitiveness. Helping to meet that same goal, we will see more sharing of facilities, equipment, services, personnel and resources. Using contract employees for project-based work will become the norm.



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Mobile applications, especially payments, will reign in 2011. Every business should adapt their website, sales and marketing, customer communication, etc. for mobile apps,

Corporate social and environmental responsibility will increase in importance as companies fight to retain and attract top talent, keep the goodwill of their communities and customers and increase their triple bottom lines.

And when things go wrong, as they will, crisis communications will be imperative. In the speed of the Internet, there is no time for a delayed response. Companies need crisis management plans in place so they can do damage control immediately.

Whether it be a natural disaster like an earthquake or storm of the century, or a man-made disaster like an act of terrorism, make 2011 the year you create and/or update your business continuity plan. The longer you are unable to be back in operation, the more likely it is your company will fail. Or without a well-conceived continuity plan, you can be assured that you will not recover from this disaster as fast as your competitors.

Be a Talent Management



The heart of American innovation and success is the human capital. In [Six Habits of a Talent Magnet](#), by Tsun-yan Hsieh and Anthony Tjan, Harvard Business Review (January 24, 2011), they observed that “Talent is the make-or-break issue for business success.” The authors propose six ways to become a Talent Magnet:

1. **Get to know the most talented individuals early on, when you don’t need them.** Develop relationships with the best people, before you need to hire them, and you will be more likely to recruit and retain them.
2. **Create and manage the right expectations.** Know the answer to “why would any real talent want to work for me?” Talented people want more than a fat paycheck, they want to grow and work with leaders they trust and respect. “Set clear expectations of what you are willing to do to help them learn from you that they can’t learn from anyone else, and what you expect them to do to succeed in this apprenticeship.”
3. **Look at their hearts – and not just their smarts.** Resumes don’t do a good job conveying purpose and passion. If you want talent that will “do unprecedented things and deliver breakthrough results,” you need to focus on more than technical skills and understand candidates’ motivation, values, and purpose.
4. **Cultivate them over time.** The best talents have lots of options and aren’t waiting for you. Keep in close contact with key talent and use the time to demonstrate who you are and what you can accomplish. Over time, they will come to you when they are ready and you have proven your worth.
5. **On-board them thoughtfully.** Give new talent the tools to succeed and avoid a “sink or swim” strategy. Treat them right in the beginning as valued contributors and they will be.
6. **Mentor them for their success.** “Mentoring is a journey based on mutual commitment to discovery and learning. Your primary reward is another person’s success. Real talent knows if you are only interested in what they can do for you!

Word Clouds Speak Loudly

Interesting display of the difference between what is said and what is heard. The first word cloud depicts Obama’s State of the Union address showing how he used words and themes.

BioMarin employs 700 in Novato and is headquartered in Bel Marin Keys. According to the Novato Chamber of Commerce, the company is expected to add 100 positions in 2011. BioMarin became a publicly traded company in 1999 (Nasdaq:BMRN).

Comcast received final regulatory clearance for the Comcast and General Electric ("GE/I) joint venture for NBC Universal. Once the transaction is completed, it will usher in new benefits for consumers and hasten the arrival of the digital multiplatform, anytime, anywhere media and communications future that Americans want. Comcast and NBC Universal will create one of America's leading entertainment and communications companies – enhancing the entertainment experience through bold innovations and offering more choices to consumers. The opportunity to combine the assets of Comcast and NBC Universal makes possible innovative programming and distribution opportunities that will permit the new company to better serve the interests of many key segments of the viewing audience, including local viewers in the markets served by NBC Universal's owned-and-operated NBC and Telemundo stations.

Nelson Family of Companies is a family run company that *loves* the San Francisco Giants. The team's win in the World Series made the company want to share its joy. The answer came with the Junior Giants, the flagship program of the Giants Community Fund. Junior Giants is a free, non-competitive, innovative baseball program for boys and girls ages 5-18 years old which seeks to give at-risk kids a meaningful partnership with community-based organizations and offers an alternative to drugs, gangs, and crime. They provide all of the uniforms, equipment, and training necessary to run a league as well as tickets to select Giants games so the youth can experience a Major League Baseball game. Nelson's "MVP" donation adds two full teams to the Junior Giants' program.

Infineon Raceway has reaffirmed its position as an industry leader in recycling, collecting more than 67 tons of materials during the 2010 Big O Tires Racing Season. The raceway partnered with the Conservation Corps North Bay to collect 135,017 pounds of materials during the 2010 season, which included the NASCAR Sprint Cup Series, NHRA Full Throttle Drag Racing Series, IZOD IndyCar® Series and AMA Pro Road Racing event weekends. The raceway has collected more than 208 tons of materials (417,934 pounds) since the inception of its recycling program in 2004.

Kaiser Permanente leads the nation among all reporting commercial health plans with top marks in 12 quality measures. These conclusions were based on information in the [2010 National Committee for Quality Assurance's Quality Compass®](#) data. Kaiser Permanente received top marks for [breast cancer screening](#); weight assessment for children; appropriate treatment for children with upper respiratory infection; diabetes; antidepressant medication management; appropriate use of medications for people with asthma; chlamydia screening; and counseling for children. The NCQA is a private, nonprofit organization dedicated to improving health care quality.

Redwood Credit Union's Brett Martinez, President & CEO, has been elected to the Board of Directors of the Credit Union National Association (CUNA), the premier national trade association for US credit unions. CUNA provides leadership, political advocacy, education, information and support to credit unions and their Members so that they may enjoy the benefits of financial cooperative membership to their full advantage, and to ensure the sustainability of the credit union industry.

Codding Enterprises' Sonoma Mountain Village earned the highest rating –Platinum–from the prestigious U.S. Green Building Council's Leadership in Energy and Environmental Design for Neighborhood Developments (LEED® -

ND) for its neighborhood design. Coddling, a real estate developer, contractor and investor in green building products and clean energy companies is planning to build Sonoma Mountain Village as one of the world's greenest neighborhoods. Plans for the 200-acre former factory site in Rohnert Park, California include creating a complete neighborhood with jobs and housing within an easy walk of daily needs, like groceries, daycare and restaurants.

The project has received additional awards, including the California Governor's Environmental and Economic Leadership Award for its efforts toward sustainability. In 2010, Sonoma Mountain Village also received top honors from the USGBC for LEED® Commercial Interiors at Comcast's zero-carbon Operations Center. This was one only 6 in the State to achieve this status.

Also located at site is the Northbay's Innovation Hub (iHub) and Business Incubator. Business incubation has proven to be extremely effective at local economic development with 85% of companies locating within 5 miles of the incubator facility after graduation from the program.

Dominican University's science program received \$2.25 million in grants and bequests. The donations included a \$2 million bequest from the estate of H.B. Yin and Lillian L.Y. Wang Yin and a \$250,000 grant from the W.M. Keck Foundation.

The \$2 million gift from the Yin estate will create an endowed professorship in chemistry in the name of Lillian L.Y. Wang Yin and augment an existing scholarship in her honor.

Yin, who graduated from Dominican in 1951 with a degree in chemistry, enjoyed a long and distinguished career in the sciences, serving as director of the U.S. Food and Drug Administration's Division of Reproductive, Abdominal, Ear, Nose and Throat and Radiological Devices and later coordinating efforts on human subject protection for the Office of Regulatory Affairs. Yin died in 2000. "H.B. and Lillian Yin have made a lasting tribute to the people and programs at Dominican," said President Joseph R. Fink. "Their tremendous legacy will advance the education of future science students for generations to come."

Dominican will use the \$250,000 Keck Foundation grant to purchase a laser confocal microscope. That microscope will become a central element of two new undergraduate courses in cell imaging technology and stem cell technology. Currently, the study of stem cell technology is only available at Dominican at the graduate level.

SolarCraft's President, Bill Stewart was elected to the Board of Directors of the California Solar Energy Industries Association (CALSEIA). Solarcraft is a Novato and Sonoma-based solar industry leader.

About Us



Twenty years ago, business leaders founded the North Bay Leadership Council on a simple premise: We can accomplish more by working together. Today, the Council includes over 37 leading employers in the North Bay. Our members represent a wide variety of businesses, non-profits and educational institutions, with a workforce in excess of 20,000. As business and civic leaders, our goal is to promote sound public policy, innovation and sustainability to make our region a better place to live and work. For more information call **707.283.0028**; E-mail info@northbayleadership.org

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