



Financial Management Association
One Washington Square
Accounting & Finance Dept, BT 850
San Jose, CA 95192
www.cob.sjsu.edu/fma

Spring 2009 Professional Development Meeting Minutes

Speaker: Joe Consul, Sr. VP and CFO of LogLogic

April 15, 2009

4:30 PM – 5:30 PM

Held at BBC Room # 204

1. Announcements:

- a. Prof. Devincenzi has stepped down as FMA advisor so he can concentrate on the Honors Program. However, we are happy to welcome Prof. Buck as a new FMA advisor. Prof. Buck introduced himself and spoke a little bit about himself:
 - Was a former FMA advisor
 - Teaches MBA & Managerial Cost
 - For FMA, hopes to see stronger connections with professional world
 - Looks forward to working with our club!
- b. NHS Social this Thursday, 4/16 from 6:30 – 8:30 PM at SJSU, BBC 032
 - NHS Alumni exclusive event
 - Food, games, and networking
 - Casual dress
- c. Community Service on Saturday, 4/18 from 9:00 AM – 12:00 PM at Sacred Heart
- d. Community Service on Saturday, 4/25 from 1:00 – 4:00 PM at RAFT
- e. Don't forget to sign up for these events!
- f. Officer Elections are in 3 weeks and we are looking for the following kinds of people to run for office:
 - Independent
 - Responsible
 - Want to make a difference
- g. NHS Members who are graduating this semester, please email Dave at vicepresident.fma@gmail.com so we can try to get you a sash for graduation.

2. Speaker Introduction: Joe Consul is the Sr. VP and CFO of LogLogic Inc.

- a. Previously at Evergreen Corporation, acquired by Dell
- b. Attained his undergraduate degree in Business at SJSU
- c. Attained his MBA at Marshall University
- d. Currently on the Advisory Board for SJSU School of Business
- e. Plenty of experience in Silicon Valley including being the first controller of Adobe and being involved in other M&A transactions.

3. Topic Overviews

- a. The world has changed
- b. What these changes mean for us

4. The world has changed!

- a. Venture capital investments are down
 - 8% drop in 2008; steeper in 4th qtr (see Money Tree chart)
 - At 10-year low point
 - Significant because this is what has created wealth in the Valley
- b. Declining fund returns will lead to a VC shakeout

5. IPO

- a. 1990-1998: 331 IPO's (40+ per year)



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- b. The Bubble (1999-2000): 163 IPO's (80+ per year)
 - c. 2001-2008: 90 (11 per year)
 - The last one: Q1'08 Arc Sight
 - d. What happened?
 - Stock market crash
 - Investment banking infrastructure disappeared
 - Never really recovered from tech bust
 - e. So what does this mean for current and future SV business execs?
6. Themes for business planning in today's environment
- a. Crisis is GLOBAL
 - b. Not a normal crisis; this will take time
 - c. Crisis is credit, not equity driven
 - d. Significant risk to GDP growth over extended period
 - e. Prices will decrease
 - f. M&A will decrease
 - Profitable companies will be favored
 - g. IPO's will decrease
 - Process will take longer
7. Back to the future!
- a. Focus on profits & positive cash flow
 - b. Manage what you can control
 - Spending
 - Growth assumptions (is "flat" the new "up"?)
 - Earnings assumptions
 - c. Focus on quality
 - d. Lower risk
 - e. Reduce debt
 - f. Got to say flexible
 - g. Back to the basic business fundamentals
8. Message for CEO's
- a. "If you don't save money you'll lose your job" -Dave Robbins, CEO of BigFix
 - b. Sequoia Venture Capital Warning to CEOs
 - c. The basic message: Game's over; good times are done; environment has changed; cannot do business the same.
 - d. CEO_ALL_HANDS_10-7-08_FINAL.PDF
 - e. What does this mean for you?
9. Foundation for next generation wealth building
- a. Consider:
 - b. S&P 500
 - Down 45% from March 2000 peak
 - Down 37% from April 1999
 - c. NASDAQ Composite
 - Down 68% from March 2000 peak
 - Down 35% from April 1999



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10. Great opportunity to start building a nest egg
 - a. 401(k) investing
 - Average in while markets are low
 - b. Think about traditional inflation hedges in coming months
 - Real estate
 - Stocks
 - c. Just like business execs, focus on profits and cash flow
 - d. Look for stimulus driven companies

11. Good news for cost of living in Silicon Valley
 - a. Cash is long- use for negotiating
 - Independent retailers, contractors, car dealers
 - b. Consider buying that first home if you can
 - c. Lack of IPO liquidity in Valley will keep a near term lid on prices

12. Increase your chances for employment
 - a. Network, network, network
 - b. Gain experience, even if working for free
 - Competition for jobs is keen
 - Employers look for excellent “value”
 1. Meaningful experience per dollar paid
 2. So build your resume!
 - c. Internships, contract projects, temp work
 - d. Shore up technology skills, especially Web 2.0 knowledge
 - e. Look the part, dress like you care, and show your energy!

13. Eventually, we will recover!
 - a. We’ve survived other downturns
 - Semi-conductors
 - Telecom
 - Dot com bust
 - b. So be ready to take advantage and catch the next wave!
 - c. We will recover even if it takes a little longer
 - d. Prepare for it & take advantage of it

Minutes submitted by:
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April 15, 2009