

Private & Confidential

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DATE : 15th August, 2005
SUBJECT : *Candidate A – Candidate for the position of Chief Executive Officer*

No. of pages (including this page) : 6

Candidate A is a suitable candidate for the position for the following reasons:

- Candidate A has over 16 years of merchandising and procurement experience sourcing products for the North American and European markets. He currently heads up the Hong Kong office of an American Company which designs and imports a diverse portfolio of seasonal and household products inclusive of ceramics, wooden boxes, silverware, lighting, Christmas ornaments, silk flowers, plastic toys, and candles. Candidate A is responsible for the Company's regional operations with offices in Hong Kong, Bangkok, Shanghai, Ningbo, Shenzhen and Qingdao. Together these offices handle a purchasing volume of US\$145 million and employ 176 employees. As Managing Director, he was directly involved in the full spectrum of services related to the supply chain process such as Merchandising, Finance, Logistics, Quality Assurance and MIS. The main market is the United States with additional orders from Australia, Japan and Germany.
- He has increased profitability by 5% by streamlining business processes, consolidating the factory base and making redundant non-contributing staff members. Candidate A introduced a new Vendor's Evaluation process to consolidate the large number of existing vendors based on factory capacity, volume manufactured, quality, on-time delivery record and social compliance. As a result, the number of vendors was reduced by 33% and the prices were reduced because of the large volumes of orders. Quality has also been improved resulting in fewer claims. In 2003, claims totaled US\$289,000 and in 2004, claims totaled US\$10,000. Candidate A set up the Quality Assurance Department, hired qualified QA Engineers, provided specialized training and an in-house QA Lab. His team set up and implemented SAP bringing it on board quicker than even the American head office.
- From 1997 to 2002, Candidate A worked for an American Buying office as the Merchandising Director responsible for home textiles, a major category for this company. He reported to the Senior Vice President and handled an FOB sales volume of US\$ 120 million whilst managing a team of 30. Candidate A had four direct reports organizing the team according to brands with the exception of quilts, which were handled as a separate

product category. Other products included bathroom towels, table clothes, napkins, pillows and sheets.

- When he joined, the company was experiencing some financial difficulties due to a transfer of ownership. The previous owners had not paid the vendors and this had not been accurately reflected on the books. At the time, many of the vendors were concerned about payment. He persuaded the suppliers to continue working with the new owners promising to make monthly payments over a period of a year. After six months, the business was healthy and grew from strength to strength. He played a key role not only in continuing the business relationships with strong vendors, but he also was able to select products that were well received in the American market. He worked closely with the American design teams to decrease product development cycle times by improving the communication processes between the American offices and the Hong Kong office and suppliers. He made suggestions regarding improvements to the computer systems, which led to quicker responses and better efficiency. Candidate A also improved the vendors understanding of the American designers' concepts and requirements. In addition, he introduced some new PRC mills that supplied high quality textiles that were competitive with imported fabrics that had previously been bought in Korea, Japan and Taiwan. While business volumes remained constant, net profit for some product categories improved by 15% and overall by 3% during his tenure.
- From 1993, Candidate A worked as the Sales Director for a Hong Kong manufacturer of well-known, high fashion brand names. He led an operation consisting of approximately 25 staffs and achieved almost US\$80 million in annual sales in 1996 with over a 20% growth in 1997. His team handled men's and ladies woven shirts and bottoms. He made seasonal presentations of the company's collections to large department store accounts in America. He set up, managed and controlled departmental sales forecast and budget including operation and sample expenses. He also coordinated the multinational product development, production planning, on-time delivery and cost control.
- Candidate A started his career as a Merchandiser moving up to the Department Manager from 1989 to 1993 having worked for a Garment Manufacturer and Import and Export Group – a family run business - mostly being in charge of the garment business covering the European markets.
- Candidate A speaks fluent English, communicating his ideas clearly and succinctly. He also speaks fluent Mandarin although with a Cantonese accent.
- He is intelligent, analytical, persuasive and has a good sense of humor. He is result oriented, establishing key performance targets for his subordinates. He has good presentation skills and can sell his ideas to customers.

Candidate A's weaknesses for this position are:

- Candidate A works best in an environment where authority and responsibility are equally delegated to him. He has greatly enjoyed working in an American organization and has been effective in that environment. Previously, he worked with a large manufacturer run

Candidate A



in a style where only family members hold authority. This style has been stifling and he would be hesitant to work again in such an environment.

- Being a highly result oriented manager, he pushes his team very hard. At times, he can be impatient, direct and terse in his communications.

Candidate A's current salary is:

Base:	HK\$130,000 x 13 months	=	HK\$ 1,690,000	
Housing:	HK\$55,000 x 12 months	=	HK\$ 660,000	
Total:		=	HK\$ 2,350,000	= US\$301,282

Please let me know if you want to meet this candidate.