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Mixtec: The common thread in some future new leaders

By Tim Linden

Western Growers Association is expected to name a new president in the next several days. The California Tree Fruit Agreement is in the midst of a search for a new chief executive officer. And the California Strawberry Commission has just begun the process of finding a new president.

What these association all have in common is that they are using Mixtec, a produce industry executive search firm to narrow their decisionmaking process down to a few candidates. "We never bring them less than three candidates," said Mixtec President Chris Nelson, "and often it is four, but rarely more than that."

Mr. Nelson, who joined founder Ward Fredricks as a partner in the firm five years ago, said business is booming. "We usually have 20 or 30 searches going on at any time," he said. "This is quite a coincidence that we are working on three associations at one time. That doesn't happen very often. Jon Field was at CTFA for 14 years, Dave Riggs was with the strawberry commission for 21 years and Dave Moore seemed like he was always with WGA."

Mixtec has many clients in the industry in the private sector. In fact, Mr. Nelson said that 72 percent of its business is repeat business. "We are doing multiple searches for many companies," he said. "That tells us we must be doing a pretty good job."

The firm specializes in the produce industry and concentrates on senior executive level jobs in the \$80,000 and above range. He said the firm's typical searchers are for positions such as chief financial officer, vice president of sales and marketing or vice president of purchasing. It charges a flat fee of 30 percent of the first year's salary, not including bonuses.

Said Mr. Nelson, "Some companies factor in the bonus, but we don't know if the candidate is going to get that or not, so we just charge a flat rate on the guaranteed salary."

Mr. Nelson said the fee is very reason-

able and is rarely, if ever, a concern.

"These companies are hiring senior people who are expected to add \$2-\$5 million to the bottom line," he said. "And hopefully they are going to stay there for eight to 10 years. Spread the cost out over those years and it is really insignificant."

He said the fee is based on a percentage of salary because it truly is more time consuming and more expensive to conduct a search for a higher paying position. In general, a search firm such as Mixtec begins its effort by interviewing the key people at the client firm to determine what the client is looking for and what its needs are. "We really are a consultant," he said. "We begin by defining the position and help them see what they really need."

He explained that a company may contact Mixtec looking for a vice president of sales, but what it really needs is a marketing expert and regional sales people. After determining the firm's needs, Mixtec begins the search. "We rarely place ads advertising a particular position," he said. "You get a different type of candidate responding to ads. We contact people and ask them if they are interested or if they know of anybody out there looking around. Ninety percent of the people we contact are happy where they are. We are looking for stable people."

Mr. Nelson said that the basic reason to use an executive search firm is to get the very best person at that position. "Why shouldn't you have the very best vice president of marketing or the very best president?" he asked. "The only way to do that is to conduct a search."

The three association jobs that Mixtec is currently working on require more work than a typical search for a private business. "For a company search, we usually only have to interview the hiring authority and one or two other people and then we are done," he stated. "For the association jobs, we interview all the



Chris Nelson

senior staff and all the members of the search committee, which is usually five to 10 members. We have to know what they are looking for and what kind of person will fit in. We have the same motto as the Canadian Mounties: We always get our man - or woman."

Mr. Nelson said it is Mixtec's job to find multiple candidates who can do the job and are willing to work for the firm if the offer and chemistry are right. "We usually present three or four candidates and we do not make one recommendation," he said. "At that point the hiring authority needs to interview the candidates and decide which one fits in best."

In his five years of conducting these searches, Mr. Nelson said he has had only one hire who didn't work out. "And he lasted only three days. He was 10 years at his previous job. He was in a transition period and we just didn't know it."

In that event, Mixtec did another search for the company free of charge. "We guarantee our candidates for six months," he said. "We do follow-up calls for the first six months to make sure everything is working out and the person is fitting in."

While the WGA search took about six months and the CTFA hunt is also expected to take close to that amount of time, Mr. Nelson said 90 percent of the firm's searchers are completed in 60-90 days. "It's rare that they last longer than that. WGA had special circumstances in that they had a fantastic interim president so there was no rush, and they also had their major convention in the middle of the search and they did not want a decision during that time period."

Mr. Nelson said produce industry salaries have increased significantly in recent years, which makes picking the right person all the more important. "There are not 100 players on the 'A' list out there. If there were, anybody could do this job. The wrong hire could be the most costly thing a company can do."

Mr. Nelson said Mixtec is No. 1 in the industry and is fairly unusual because of its specialty, which is senior level people. "We don't post jobs or resumes on our

web site. Other companies are specializing in that kind of work which is usually for employees in the \$50,000 to \$80,000 range."

After a distinguished business career in a number of fields including agriculture, Mr. Fredericks founded the Mixtec Group in 1984 as a search firm for agriculture. Over the years, the company has remained in the agricultural field and gradually shifted most of its business into fresh produce. Mr. Fredericks said that "the produce industry is truly a unique business," and that Mixtec's understanding of this is one reason it has been so successful. While the company does extend searches outside the industry, "we believe you have to bring outside people in with caution."

Mr. Fredericks said that outsiders can fit in, especially in functional jobs such as sales or finance positions, "but not as president. Anecdotally that has not worked out too well."

He explained that a president needs to have an overall view of the produce industry for many decisions that are not on the list of job responsibilities. "We believe that for the president's position (of any produce industry company), it is very important that the person come from within the industry," he stated.

Mr. Fredericks said the company's business has really taken off over the last decade, fueled by the consolidations that have taken place on both the buy and supply side. These consolidations have created larger companies with more diverse needs. "Originally, this was an industry with smaller family firms, and management came from the same gene pool."

With the bigger companies, there is need for new talent. Mr. Fredericks said there is talent within the industry to draw from, but there also needs to be a continual new supply from outside the industry. The key, he said, is to find this talent and place it in the right positions. More and more, he said, firms are looking for management specialists who have skills honed through education and experience.