

CASE STUDY: Firecomms

Firecomms Hires Ideal CEO and VP Sales through WHO42; Valuation Jumps Eleven-Fold

Challenges

Firecomms had created breakthrough small-area network technology, but faced the challenge of how to overcome buyer caution and nascent standards. It also needed to build and execute a marketing plan as strong as the products' merits.

Solution

The Firecomms board called WHO42 of Dublin, Ireland, for its worldwide reach in finding top executives for tightly specified needs. In California, the search firm located an ideal candidate, an Irish-born technology executive interested in returning to Europe. Then WHO42 found a dynamic marketing/sales executive.

Results

- Valuation of Firecomms has increased eleven-fold in two subsequent offerings
- Increased credibility helped land key sales in Germany, Japan and the USA
- New marketing concepts clarified direction and eased customer caution
- ISO certification cemented customer confidence in quality and standards

Company Description:

Firecomms Ltd. is a privately held semiconductor company founded in 2002 with global headquarters in a 6,000 square-foot facility in Cork, Ireland. Revenue is approximately US \$2,000,000 and it employs 27. Its offices in Texas and Japan perform sales, marketing, and technical support.

Developed on a solid product and engineering base, Firecomms' light sources, detectors and photonic subsystems enable economical and high-speed, small-area optical communications, as in vehicles and homes. The company's proprietary and often mass-produced devices break new ground in high value, low power consumption, high efficiency, bandwidth, small size, and ease of use.

Challenges

Despite dramatic cost/performance benefits, Firecomms products did not receive the rapid customer recognition and early sales the company and its investors had hoped for. The obstacles were real: Firecomm's location presented long and expensive travel to key markets for meetings and product demonstrations. But there was also a paralysing vagueness from customers about future needs and what they might someday buy. Firecomms products needed to satisfy the automotive industry's standard, Media-Oriented Systems Transport (MOST), and standards for private homes as well.



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CEO, Firecomms Ltd.

When Firecomms' board and team realised that strong international commercial leadership was needed to overcome the barriers and protracted OEM buying cycles, company founders and investors became concerned for their investments of time and money.

Solutions

WHO42 employed its team approach for companies facing challenges. The group worked with the founding team to further define the overall situation, Firecomms' soft spots and upward paths. Then WHO42 formulated and described the kind of person needed to rapidly turn around the situation. The search firm presented Firecomms with their trademark WHO42 "Opportunity Profile," a document that first ensures all parties are aligned regarding needs and expectations in finding the "right person." To ensure transparency, that same document is used to fully disclose and explain the opportunity to qualified, interested candidates.

Neil Pope, Director at WHO42, contrasts Firecomms' approach to that of some others. "Many early-stage companies encounter unexpected circumstances and the resultant hard choices. Some can't bear to change course. Too many begin a ruminative process and start phoning old friends, perhaps hoping the problem will somehow fix itself without intervention. Firecomms' founders, on the other hand, analysed the problem objectively and took early action to enhance their team, adding the skills and vital experience to guide them through the difficulty. That clear-eyed, objective approach was pivotal in enabling us to find the right people to make timely repairs and refocus team efforts.

As one facet of search, WHO42 draws on its extensive network of high-calibre Irish nationals working on the continent, in North America or Asia. They discovered Declan O'Mahoney in Santa Clara, California. He had cofounded Northstar Systems and helped nurture it to 2,000 people in ten years. As president, he ran a global business unit serving Firecomms' markets. He brought technical knowledge, marketplace awareness, and industry contacts.

O'Mahoney says, "As a candidate, I immediately knew this executive search firm had done its homework. WHO42 understood Firecomms' market dynamics, people, and the subtleties you can't put on a page. They convincingly described the opportunity, yet every word has proved true and not oversold. Later, as Firecomms and I progressed through interviews, WHO42 maintained exactly the right amount of involvement—never intrusive, always handy."

Another key to the solution was O'Mahoney's subsequent new hires at Firecomms, among them a new Vice President of Sales sourced by WHO42, Hugh Hennessy. Being on the other side of the process, O'Mahoney noticed additional differences between WHO42 and other executive search firms: "They were more interested in our actual needs. They spent a long time interviewing me to understand the person I needed before they even started looking. They met with good candidates, getting to know and understand each one. They read them well as people, so they relayed to me clear knowledge of each one. I've used other executive recruiters that just sell humans for money and, in many cases, the others have never met their candidates."

"Hiring for any sales capacity can be your hardest hire. Those candidates are in sales because they can sell themselves, so it's hard to read true capabilities underneath the liking that they generate. And it was harder for me because I'm a sales guy. I was giving away a job I liked."

"But WHO42's second find for Firecomm's has been a big success. Hugh has been huge," says O'Mahoney.

Results

In approximately six years since O'Mahoney came on board, he and the new team have pushed Firecomm's valuation from US \$2 million to \$22 million in two rounds of funding—a valuation growth averaging nearly 50 percent annually.

Sales in 2007 were \$2 million and the company is on target to sell nearly one million pieces for \$8 million sales revenue in 2008.

"We changed our philosophy from being product- and engineering-driven to entirely customer-driven," says O'Mahoney. "We redefined products to serve a clear marketing strategy that customers could believe in, then added five product lines. We tightened financial procedures, compliances and information availability. We got our ISO cert, boosting product viability and public perceptions. We hired reps in Japan, Germany and the USA. Most critically, we injected urgency."

WHO42's Pope says, "Declan and his team helped Firecomms turn promising technology into a viable product line. He landed the first customers. Firecomms' MOST automotive standard offerings are flourishing, and the sales forces are making vital contacts and new sales in the home standards market. The first international automotive OEM customers from Japan, the United States and

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Germany brought credibility Firecomms can now parlay around the world.

O'Mahoney reports, "Among our investors and board, I've only heard good things about WHO42. They're not long on rhetoric, but they deliver the person you need, and they let us know when we were self-contradictory or headed for a pit. In their field, they became a strong asset to our business as valued advisors whom we've grown to trust with the health and direction of our business."

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