Learning Engineering Gene Pool

1. Experience with Risk, not with Role, drives recruitment

Often teams are built by experienced managers, mimicking org charts of past jobs. Candidates are identified with experience in similar roles, preferably similar technology. In SP we use risk reduction as the guiding principle for recruitment. The ideal candidate has on the job experience with similar risks and preferably with failure. Whether or not the job/role was similar is less relevant.

2. EGP is a puzzle - risk and fit are the dimensions

When building a team around risk reduction, we take into account the candidate as well as the team with and without the candidate. The below chart demonstrates how we use the relative strength of the team on any of the risk areas as a criterion for urgency in additional recruitment.

EGP Update

Risk	Current team	HC plan	Field of expertise	Target companies	Leads/ offers	Hires
Stiction and removal, reliability and characterization	NN NN	3	Micro tribology and mechanics, display test/char	MM competitors, UC Berkeley, Sandia, Seagate, Western Dig.	5/3	2
Optical engine and display technology	NN	1	Optics, display characterization	LCD and <u>LCOS companies</u> , Sharp MM labs	5/2	1
Window sealing	NN NN NN	2 per BOD Dec	Hermetic MEMS packaging, IC process integration	Sandia, Analog Devices, Crossbow, ASE, Amkor, AMAT, foundries, IC companies	1 Since BOD Dec	0
Process Integration	NN NN NN	2	Fab experience, IC process development, Process integration	AMAT, foundries, IC companies		
LED integration (Opportunity)	- \	1	Color/video processing	Major OEM, LED companies, LCD driver companies	-	-

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3. No substitute for own network

Interviews are too short and it takes at least a few months to really figure out candidates' strengths and weaknesses. The main advantage of hiring known staff is the ability to anticipate on known strengths and weaknesses. Backup is thorough referencing, in particular ex 360 - bosses, coworkers and employees.

4. Recruitment is exec team's responsibility

We have struggled with candidate identification. Preference has been to access to non active labor market. Initially we used head hunters, followed by an on site

recruiter. In either case we ended up with enough quantity (resumes) but not enough quality. By making recruitment an exec team responsibility we have been able to improve the quality of candidates. Typically we need to go at least 2-3 levels deep into the network before we actually identify candidates. CEO and CTO spend a big portion of their time on recruitment.

5. Never give in on Quality

Old saying but very true - a high quality team with a vacancy is faster than that same team with an addition of a lower quality candidate. Very hard to keep true to this under pressure.

6. Recruitment is courting and does not stop at offer

At SP we make sure to continue to stay in touch with candidates after the offer letter has been signed. On the start date we make sure all details are in place (paperwork, PC, cube, email, etc) and give candidates a small welcome basket on their first day. Small effort, huge impact, especially for a small company.

7. Attract first, decide later

In particular in technical recruitment, there is risk that the interviewing team challenges the candidate more than they are selling the company. By design we want all candidates to want to work for SP after being interviewed, regardless of our opinion in terms of fit. Firstly, it puts the ball in our court; where it should be. Secondly, we want rejected candidates to be positive about SP in their respective networks.

Wald Siskens Friday, March 17, 2006