Pacific Brands

Pacific Brands as a company has existed since 1893. Today, the company specialises in 'essentials' and their brands include Bonds, Hard Yakka, Volley, King Gee and Mossimo.

As part of their marketing strategy, Pacific Brands uses Australian celebrities to endorse their brands. In recent years, these celebrities have included Michael Clarke, Sarah Murdoch and Pat Rafter.

Over the last few years Pacific Brands has been looking at creating a more cost-effective operations strategy. This strategy includes outsourcing the manufacture of goods and closing down factories based on shore. The result if this strategy has caused much debate in the business world.

Pac Brands sees earnings growth in full, 10th factory to close

Pacific Brands Ltd expects earnings growth to return in 2010/11 and will close its tenth factory next month, taking total job losses to 3000, with the possibility of more to come. The owner of clothing brands including Bonds, Berlei and Holeproof said its earnings before interest and tax (EBIT) would grow next financial year after falling 35.8 per cent in the first half of 2009/10.

Pacific Brands on Wednesday reported its first half result, posting a net profit of $22.2 million for the six months ended December 31, compared to a loss of $150 million in the previous corresponding period. Its net profit before significant items was down 39.7 per cent to $35.5 million, as earnings before interest, tax, depreciation and amortisation (EBITDA) declined 31 per cent to $83.3 million. The company's dividend drought continued, with no interim dividend declared.

Chief executive Sue Morphet declined to comment on the likelihood of a final dividend in 2009/10 but told AAP, 'there is no dividend declared in this half and every half we review that. It is our intention to manage our balance sheet prudently, but there is no dividend for this half.'

Ms Morphet told AAP earnings growth would return to Pacific Brands in 2010/11. Ms Morphet said trading conditions would be 'tough' for the next 12 months. 'We're in a very different environment and until there is more money coming back into our communities then we are like we are', she said. 'It will depend on people's priorities as to which segments of retail will benefit.'

Pacific Brands also confirmed it will close three Australia factories in March, cutting 500 jobs and taking total factory closures to ten across Australia and New Zealand, including a homewares factory in Christchurch which was closed last December. The three are the Bonds clothing manufacturing factories in Wentworthville and Unanderra, NSW, and a hosiery factory in Coolaroo, Victoria.

Spokeswoman Sue Cato said the company's February 2009 market announcement that it would close seven factories comprised Australian clothing factories only, including the three factories to close next month. In February 2009 Pacific Brands announced to the market it would cut 1200 manufacturing jobs in Australia and 650 corporate jobs after shifting its clothing manufacturing operations to China. In August the company said it had spent $82 million on redundancy costs and reduced its workforce, and that factory closures would total nine.

On Wednesday Ms Morphet told AAP: 'We announced right at the beginning that there would be 1800 manufacturing staff and 650 admin but we've taken more admin people from the business than we thought we would. As we've worked through our processes and more efficiencies we realised we can manage with less people than we thought in the first instance.'

'Of the 3000 redundancies, around 75 per cent were manufacturing jobs, and about 2500 employees have already left the company', she said. Ms Morphet stressed the company has been working cooperatively with unions and affected employees over the last ten months since the first redundancies took effect. 'We're working very closely with the unions and with our employees to ensure that the transition out of Pacific Brands is smooth and as beneficial to all employees as possible.'
Asked by analysts if all the headcount cuts had been completed, Ms Morphet said the company is continuing to work on the efficiencies, implying there could be more. ‘You should expect to see that we’ll become more and more efficient as we become better at what we do. Therefore there would be some more hard savings to be realised as we go along’, she said.

Source: Alison Bell, AAP, 24 February 2010

Figure 1.5.01 Pacific Brands (Bonds) made a decision to move their production and manufacturing offshore to take advantage of regulatory differences.

PacBrands back in the black

Australian shoppers have fallen out of love with Bonds, with sales of the underwear brand falling about 4 per cent over the past year after Pacific Brands shut its local factories and moved production to China.

Across Pacific Brands sales have plunged 11 per cent, but it is back in the black after absorbing most of the costs associated with the restructuring, in which about 2000 factory workers lost their jobs.

Yesterday the shares rose 12.43 per cent, or 11c, to close at 99.5c.

The chief executive, Sue Morphet, said the job losses, and associated bad publicity, had only a ‘negligible’ effect on sales.

Instead, the company says sales fell because it dumped unprofitable brands and because some retailers have replaced its products with cheaper home-brand lines.

Ms Morphet yesterday promised sales would improve in the 2011 financial year, along with earnings.

Pacific Brands declared a full-year profit of $52.7 million after a loss of $234 million last year, and said it may resume paying dividends in the first half of the year.
Despite the surge in the share price some analysts seemed sceptical about the result, questioning Ms Morphet and the chief financial officer, David Bortolussi, for more than an hour during a conference call yesterday.

The executives faced stiff questioning from the Merrill Lynch analyst David Errington, long a critic of Ms Morphet's strategy.

'The performance of the underlying business, excluding this transformation stuff, looks like it's deteriorating and deteriorating very rapidly,' Mr Errington said.

Ms Morphet denied the business was "worse now than it was then".

The company was about halfway through its three-year transformation program, she said.

'We think we have the business in a much stronger position than it was then, even though you are absolutely correct in pointing out that we are a smaller business than we were two years ago,' she said. 'The best way forward for us is a healthy, focused range of brands that can add value to the consumer market.'

Pacific Brands has slashed the number of brands it has from about 350 to about 100, accounting for about half the fall in sales.

But across the company, underlying sales, which represents ongoing brands, fell 5.9 per cent for the year.

Ms Morphet said the company had thrown more resources at its footwear, outerwear and sport division, where sales fell 18.7 per cent.

'We are actively working to turn this business around and while I am far from happy with the result there are some pockets of good news starting to appear.'

Source: Ben Butler, The Sydney Morning Herald, 26 August 2010

Business Focus activities

1 Explain the decision by Pacific Brands to outsource.
2 Analyse the effect of the decision by Pacific Brands to outsource. Consider the three phases of the operations processes and operations strategies in your answer.
3 Discuss the advantages and disadvantages of outsourcing for a business such as Pacific Brands. Consider the implications for a range of stakeholders and competitive advantage.
4 Describe how globalisation impacted on Pacific Brands as a business.
5 Outsourcing can be seen as an operations decision although it has an impact on other aspects of the business. Choose two other areas, for example marketing and human resources, and describe how the decision to outsource production would affect these departments.
6 The outsourcing of manufacturing had an impact on the public relations of Pacific Brands. Prepare a statement to the shareholders outlining why the company decided to outsource, how it intends to minimise damage in the eye of the public (minimise damage to shares) and what it sees as the long-term future for Pacific Brands.
International recognition for fashion and cosmetics

The consumer goods sector, predominately made up of the clothing and fashion; cosmetics and toiletries, and jewellery industries is one of Australia's most exciting and dynamic areas.

Australia has had a reputation for quality surfwear and swimwear, but Australian designers are also making inroads in the world's fashion centre with world-class, cost-competitive designs.

Meanwhile, the cosmetics industry has more than doubled in the last 20 years, with consumers responding to the purity and quality of Australian products—which range from body and hair products, cosmeceuticals, sunscreen and anti-ageing products.

Finally, Australia's jewellery industry covers a diverse range of products, from precious metals and stones to decorative ornaments and costume jewellery. As well as its diamonds, opals and sapphires, Australia is also renowned as one of the major producers of quality pearls.

Sportswear, swimwear and surfwear

The beach is so much a part of the Australian lifestyle, that many Australian designers have made their mark in surfwear and swimwear. Once the domain of sports labels, such as Speedo, the surfing and swimwear market is now fiercely competitive. Other surf/swimwear brands include Wahine, Funky Trunks and ausieBum.

Three Australian surfwear companies, Quiksilver, Billabong and Rip Curl, are famous worldwide for their boardshorts, T-shirts and wetsuits. They have expanded beyond the beach and now produce practical gear for extreme sports—skiing, snowboarding, skateboarding and golf. Joining them are brands, such as Globe, Running Bare and Team Jackets and Lettermans, which are breaking into overseas markets, i.e. Canada and the USA.

Source: Australian Trade Commission, Austrade
Whether it's bikinis or budgie-smugglers—Australian beachwear exports are going swimmingly

Australian swimwear is so famous globally, that it's now playing a role in the development of the Australian language both here and beyond our shores. Let me explain. Recently, an Australian traveller was caught flying from Dubai to Melbourne with two pigeons stuffed down his trousers. The strange story of this pigeon fancier—or rather pigeon smuggler—made the news internationally much to the amusement of one of my Austrade colleagues in India. And when I replied to her that 'at least, he wasn't wearing "budgie-smugglers"', she became very interested in that slang term for men's swimwear and found it mentioned on various websites promoting Australian products—even in India!

But it's not just the old budgie-smugglers that have got the world's attention in the Australian swimwear stakes. Australian swimwear brands from famous Australian women's labels like Seafolly, Zimmermann and newer ones, such as Hotel Bondi, are making a big splash amongst women's fashions and boardshorts made by Rip Curl and Billabong are seen everywhere from Paris to Peru. And no swimwear exports article could be published without mention of Australia's cheekiest export brand, aussieBum that goes from strength to strength with their unique online distribution technique.

In fact, Australian swimwear is one of the few examples of where a product can affect Australia's 'Country Brand'. In the research of Simon Anholt who produces surveys of how countries fare as a 'Brand' there were very few Australian labels that people had heard of and associate with the country of in the same way that Nokia is associated with Finland, BMW with Germany, Toyota with Japan, Coca-Cola, etc. When Anholt surveyed global consumers he found that Australian exports were either celebrities like Nicole Kidman, Elle Macpherson, Russell Crowe (ok he's Australasian), the late Steve Irwin or Shane Warne, or beaches, farms and minerals. The only exceptions were Billabong, Rip Curl and R.M. Williams, which most people had heard of and most identified as being Australian.

The high profile of Australian swimwear brands is not unexpected given our strong identification with the beach and there is evidence that this brand status does affect the bottom line. For example, when The Diplomat magazine first undertook a survey of Australia's most profitable global businesses, Billabong was found to have made more income offshore than Westpac. Boardshorts may symbolise a laid-back casual lifestyle, but they are also a serious global business for Australia.

However, when looking at the export data, it's the bikinis where the action is. In fact, when you compare the exports of women's swimwear with men's, the girls are continuing to catch the boys with their pants down. Women's swimwear exports outstrip men's by a ratio of around 12:1 and make up the lion's share of Australia's swimwear exports of around $13.5 million. Key export markets are mainly developed country markets like New Zealand, Canada, Netherlands, UK, Switzerland, Singapore and USA but with emerging markets such as the United Arab Emirates (UAE), China and Indonesia also racing up the charts. Is the girls' victory unexpected? Not really, given that swimwear is well and truly part of the fashion industry and there's a great range of styles and innovation in the girls' camp. Actually, the results are very similar to a survey I did for Ragartrader previously on the export of underwear, which again, showed the girls beating the pants off the boys. To improve on their performance, the boys will have to pull up their socks (which is the only thing left the have to pull up, on the evidence so far).

Anthony Halas of the famous Australian family business Seafolly has commented that swimwear is recession proof as it is a low-cost item. Zimmermann too, seems to be faring well. Despite the desperate state of the US economy, sales in the US have doubled over the past 12 months; with American retail giants, such as Barneys, Bloomingdales and Saks, all stocking the product. And aussieBum's Sean Ashby is also taking his business into China after some good coverage during the Beijing Olympics.

Source: Tim Harcourt, Chief Economist, Australian Trade Commission website, 23 March 2009
Gale, Hawkins in swimwear battle

![Image of models walking in Myer show](image)

Figure 2.5.02 Jennifer Hawkins and 'Cozi'

The battle of the beauties has moved from the catwalk to the designer’s studio with Megan Gale launching her new swimwear label Isola in direct competition to Jennifer Hawkins’ Cozi range.

Until recently the pair went purely head-to-head as ambassadors of Australia’s rival department stores Myer and David Jones.

But now the war has gone a step further with Gale targeting her designer ambitions at the same lucrative swimwear market into which Hawkins launched Cozi by Jennifer Hawkins 11 months ago.

The swimwear industry is set for a scorcher this winter, as Gale’s new line, to be unveiled at an intimate launch in Sydney tonight, goes up against Hawkins’ latest Cozi 2010/11 collection to be launched mid-July.

Although both supermodels are keen to distance themselves from the celebrity tag, there’s no denying Gale and Hawkins leverage their considerable profiles and popularity to compete not just against each other but also the likes of Speedo, Seafolly, Mambo, Zimmerman, JETS and Tigerlily.
Part of the challenge will be defining a unique point of difference in an increasingly crowded swimwear fashion space.

Cozi is sold in 65 Myer stores nationally while Gale’s Isola range has already secured national stockists, including floor space in David Jones’ 35 stores.

Both labels offer a variety of shapes and sizes to flatter different body types and are aimed at the fashionably minded female in her early 20s to late 30s who treats swimwear like an extension of their wardrobe.

Indeed, Gale and Hawkins are savvy enough to understand that ‘swimwear in Australia has grown considerably from being just a sports garment into a fashion item and women are quite happy to change into several different outfits’, says Anthony Halas, CEO of Seafolly which retails in 40 countries. Halas has teamed up with Gale for her Isola range.

The swimwear industry’s evolution from targeting the ‘bikini beach babe’ to now the ‘beach fashionista’ is where Hawkins and Gale as designers play such a vital role.

Isola’s swimwear line of separates, designed to give women the option of different sizes in tops and bottoms, is complemented by several pieces of outer wear including kaftans and maxi dresses.

‘A lot of women are not perfectly proportioned and they might be a size 10 top and a size 12 bottom and you can at least make sure you get the right size fit for your top and bottom’, says Gale.

The fashion industry has significantly shifted over the last decade, now promoting famous models as a new breed of entrepreneurial designers.

‘It started with Elle Macpherson in the 1990s, she was the first one to extend it beyond being just a model and made it more three dimensional and made herself a business and brand’, says Gale about the true longevity of models-turned-designers.

Elle Macpherson Intimates is celebrating its 20th birthday in 2010 with the supermodel’s lingerie range a consistent international best seller.

Gale and Hawkins share a similar vision for long-term success.

And that means emphasising how hands-on they are with their swimwear labels.

‘It’s a full-time commitment. Three years ago I would have never thought my dream to start a swimwear brand would come true to the extent that it has. It’s now into its third season and going strong’, Hawkins told AAP.

‘Cozi by Jennifer Hawkins is my creative outlet. I kind of enjoy the craziness that comes along with designing—timelines, budgets, marketing and promoting the brand.’

‘I like that designing is from the inside, it has nothing to do with how you look, it’s actually about making other women feel good in the product—I feel very grateful and proud when I see people wearing Cozi by Jennifer Hawkins!’

Rather than being a cynical exercise in marketing, today’s models-turned-designers bring to the table their status as style arbiters and plenty of hands-on experience.

For Gale, taking the great leap into designing mirrors her passions for acting and a life beyond the runway.

‘To have a whole new business which you create from the ground up is pretty exciting and it’s stressful and it’s been challenging but it’s something that would not have happened, as with the acting, had I not left the security of modelling’, she says.

‘I want to put my personal stamp on my career—that’s really important to me.’

And with other Australian models such as Miranda Kerr, Jessica Hart, Abbie Lee Kershaw and Elyse Taylor also lining up to launch their own fashion labels, the market is bound to get a whole lot more crowded.

Source: Catherine Caines, AAP, 29 June 2010
Sydney swimwear manufacturer uses $2m savings in import duties to lower overall costs

The Sydney-based aussieBum retail manufacturer had grown tremendously from its inauspicious beginning, breaking into new markets and receiving industry awards and accolades.

To take this up-and-coming company to the next level, its co-owners Sean Ashby and Guyon Holland took advantage of the exemption from customs duties and GST offered by Tradex to free-up additional capital. Tradex is offered through AusIndustry, a federal government business program, and frees up much-needed capital for Australian companies like aussieBum by exempting them from the duties and GST on the front end.

aussieBum learned about Tradex on the same evening it was being honoured as the recipient of the 2004 AusIndustry NSW Emerging Exporter Award. With much of aussieBum’s clothing line being exported overseas, the company estimates that the federal government’s Tradex program has resulted in a 10 to 15 per cent reduction in the company’s total cost of finished products. These savings have been used in key ways, largely in marketing and building the brand. In an interview with an AusIndustry representative Guyon said, ‘We have been so appreciative of AusIndustry’s proactive approach to us and Tradex. The beauty of Tradex is the fact it is an ongoing, everyday program. It provides us with the ability to concentrate on other areas of the business. It means we don’t have to outlay duty funds on inbound raw material. X amount can go back into marketing the product to keep brand awareness higher. Therefore, our products are far more competitive on the international market’.

aussieBum has achieved great success in its six years of business, building its employee base to 30 staffers and yielding a multi-million dollar turnover, with the majority of income stemming from its exports to over 70 countries around the world. In fact, exports account for a full 90 per cent of the company’s revenue. While some domestic retailers in Australia have found the line of men’s swimwear, underwear and leisurewear to be out of touch with consumers, aussieBum has achieved tremendous success in foreign markets. While aussieBum is established in North America, Great Britain, Germany, France, Italy, Canada, the Netherlands, Belgium, Spain and Taiwan, the company is also branching out to other countries as well. The funds freed up through the Tradex program have allowed aussieBum to build its brand in new markets such as Japan, Hong Kong, China and South America. aussieBum has also been featured recently on dancers in international pop sensation Kylie Minogue’s music video clip for ‘Slow’.

While aussieBum was succeeding in building an international customer base and receiving industry honours before it took advantage of AusIndustry’s Tradex program, aussieBum now has the additional capital it needs to grow at a faster pace and absorb a greater portion of the international market share thanks to the Tradex program.

Source: Australian Business Funding Centre
Suerice.com.au adds new size range and calculator to capture high demand in plus size swimwear market

Plus Size Swimwear is the most searched-for category of bathing suits on the Net and it is the least catered-to area of swimwear for women. Sue Rice, designer and owner of Sue Rice Swimwear Australia who has been designing and retailing swimwear for over 28 years, says 'Plus size women are at last finding their confidence—they feel beautiful and want more choice'.

Julie Goodwin, Australia's first Masterchef winner, models Sue Rice's Sarina swimsuit in the September issue of *Who* magazine. 'Julie epitomises the growing number of women who are happy with their 18+ figures. We are seeing a steady growth in demand for larger sizes,' says Sue.

It's only recently that larger women have felt more comfortable about their appearance, perhaps coinciding with the trend towards plus size models in fashion parades and magazines. 'It is a healthy and welcome trend towards reality and away from the persistence with the unattainable waif-look,' says Sue. 'The decision by *Who* magazine to add Julie into their September 'Body' issue confirms the trend.'

![Figure 2.5.04 Sue Rice swimwear](image)

Back in the early eighties when Sue started designing swimwear, there wasn't much choice for larger sized women. Like many would-be swimwear designers, she started out designing for the size 8–10 bikini girl, but quickly realised the market was saturated with size 10 bikinis and did not cater to the needs of the very large sector of women over size 14 and with different figure concerns. To learn more, Sue started to make swimwear-to-measure for larger women. 'The experience taught me about real women's figures in a way I couldn’t have foreseen. They needed more support in areas of the body often changed by age or childbirth.' Even though the made-to-measure service eventually came to an end, it served a grand purpose: to provide women over size 14 with more choice.

Now with an established reputation in large bust, Sue has been gradually increasing her collections from the standard sizes to now include the 18–24 size group in creative yet modest swimwear for fashion-conscious plus-size women.

But despite this encouraging trend, many women still find the whole swimsuit shopping experience intimidating, especially those of larger sizes and not as confident as Julie Goodwin. 'I want women to know they don’t have to feel fearful about trying on swimwear or feeling they have to settle for an unflattering look.' With only one store location in Sydney, Australia, it was difficult for many women to access the new styles. The internet provided the perfect avenue. 'We had to think of a clever way to make the customer feel confident enough to purchase online', said Sue.
The choice of swimwear on the Sue Rice Swimwear Australia website is divided into swimwear categories for different figure types to make browsing easier, but the unique innovation of 'My Size Swimwear' has proven to be the best way to see styles to fit each individual woman. Once in the 'My Size Swimwear', customers are led to the Sue Rice Size Calculator formulated to match the customer's statistics with the swimsuits. Measuring up is by tape measure and in one click, all the swimsuits in their size are displayed narrowing down the potentially daunting choice and saving valuable time.

The website offers more plus size women with an opportunity satisfy their new found confidence and feel comfortable about shopping online for a swimsuit.

Source: Sue Rice Swimwear Australia

**Major Business Focus activities**

1. Identify a range of successful Australian swimwear businesses that have expanded internationally.
2. Account for the success of these Australian businesses on a global scale.
3. Assess the importance of standardisation or customisation for this industry when marketing globally.
4. Analyse the impact of celebrity when creating and marketing swimwear.
5. Using the information supplied and your own research, analyse how the businesses have used the seven Ps of marketing.
6. Describe and assess the marketing mix for two of the featured swimwear lines.
The collapse of HIH—ethical issues related to reporting

HIH was Australia's largest insurance business collapse and one of Australia's largest business collapses. HIH was Australia's largest public liability insurer. When it went into liquidation on 15 March 2001, many Australian businesses, consumers, the general public and community organisations lost their insurance cover. Even operations in hospitals had to be delayed because surgeons had no insurance coverage and doctors are not allowed to practice without medical insurance. The HIH collapse had such a wide impact on the community that the federal government established a Royal Commission to find out why HIH collapsed so suddenly, when the company's accounts provided no explanation for its sudden insolvency.

Later court cases and the Royal Commission uncovered unethical behaviour in relation to financial reports and their limitations in explaining the true financial health of the company.

From the published accounts it appeared that HIH had $939.1 million more assets than liabilities. However, within nine months it was insolvent, with debts of over 5 billion dollars. On the surface HIH seemed financially healthy, as the following profit and loss statement shows. Furthermore, we have the previous year's accounts to compare the year 1999–2000 with.

Although reporting small profits after tax and abnormal items and not in a position to pay dividends, HIH appears in a financially healthy position.

HIH's accounts had been audited, but the audit report had claimed that

In our opinion, the financial report of HIH Insurance Limited is in accordance with:

a The Corporations Law, including:
   i giving a true and fair view, of the Company's and consolidated entity's financial position
   as at 30 June 2000 and of their performance for the year ended on that date
   ii complying with Accounting Standards and the Corporations Regulations

b other mandatory professional reporting requirements

The audit report is rather positive and failed to alert shareholders to any problems. The auditors did make reference to one problem in the audit report. This problem related to a note to the accounts that HIH provided. All large company accounts contain many notes that provide more information about the details of assets and liabilities in the balance sheet and revenues and expenses in the income statement.

Many of the accounting practices at HIH have proved to be unethical and illegal, and the financial statements of HIH were very limited and did not reflect the true financial position of the company.

A number of accounting problems have been identified. These include:

a failing to enter earnings properly to give a false impression of the company's true sales and revenues (and thus profit)

b inappropriate capitalising of expenses to create a false impression of expenses incurred by the business

c valuing and reporting assets inappropriately, especially in relating to accounting for intangibles and failure to adequately plan for insurance claims

d providing misleading information in notes to the accounts that did not reflect the true financial situation of HIH.

It is critical to note that if the value of intangibles, deferred acquisitions costs and tax losses were removed from the group financial statements (HIH), would have a deficiency of net assets at both June 2000 and at the current time. This means that HIH was not profitable and was not making money.

The HIH case study is a useful example of the ethical issues related to financial reports. Ethics refers to the way individuals act to improve the social good. Ethics go beyond what is legal by encompassing what is moral or good. Ethics is derived from the Greek word 'ethikos', which refers to 'rightness' or 'rectitude'. Ethical behaviour is correct and appropriate behaviour—the behaviour
that is socially responsible and involves looking after the interests of those in one's care. In business, ethical behaviour can be described as behaviour that is both competent and careful. The ethical financial manager uses their financial knowledge for the benefit of all stakeholders and is careful to do so. Examine the unethical behaviour of the main players in HIH by referring to the following table.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Critical Comments</th>
<th>Possible Breaches include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rodney Adler</td>
<td>FAI CEO and HIH non-executive director</td>
<td>Might have acted dishonestly on numerous occasions and might have failed to discharge his duties as a director of a company.</td>
<td>Might have breached four sections of the Corporations Law relating to use of his directorship to benefit himself, HSI and Cooper. Might have breached two sections of the Crimes Act. Eleven possible breaches of the Corporations Law relating to share trading. Rodney Adler was jailed for these unethical accounting and business practices.</td>
</tr>
<tr>
<td>Ray Williams</td>
<td>HIH founder and CEO</td>
<td>Conduct might have been grossly improper, involved in possibly undesirable corporate governance and might not have met professional standards.</td>
<td>Might have breached 16 sections of the Corporations Law relating to dealings with the board and accounts. Ray Williams was jailed for these unethical accounting and business practices and for being responsible for accounts that did not reflect the true financial situation of the company.</td>
</tr>
<tr>
<td>Brad Cooper</td>
<td>Entrepreneur</td>
<td>Conduct might have been grossly dishonest over a long period.</td>
<td>Might have breached 10 sections of the Corporations Law and seven possible breaches of the Crimes Act relating to HSI. Brad Cooper was also jailed for fraud.</td>
</tr>
<tr>
<td>Dominic Fodera</td>
<td>HIH Chief Financial Officer</td>
<td>Might have been dishonest, might have breached his duties and might have been involved in undesirable corporate governance.</td>
<td>Might have breached up to 19 sections of Corporations Law relating to failing to ensure accounts were accurate, failing to inform board and auditors, twelve possible breaches relating to deals with Hannover, Societe Generale, General Colgне Re and National Indemnity, which were used to hide the true financial position of HIH.</td>
</tr>
</tbody>
</table>

Source: Based on summary data from 'Counsel assisting’s key submissions', *Australian Financial Review*, 17 January 2003, p. 56

**HIH liquidator poised to pay out**

The winding up of HIH Insurance was largely complete following the formal settlement of the last big lawsuit in the NSW Supreme Court, the liquidator Tony McGrath said yesterday.

The liquidation 'now moves into a more predictable phase of finalising claims, collecting reinsurance and paying dividends', he said.

The remainder of his work will be governed by schemes of arrangement put in place four years ago and due to expire in 2013.
Justice Patricia Bergin yesterday made orders finalising the pursuit of compensation for HIH's $300 million purchase of FAI Insurance in 1998. The judge was not told how much the defendants had agreed to pay HIH but it is believed to be about half the headline claim, which was the purchase price plus interest of about $250 million.

At the heart of the case were two reinsurance policies taken out by FAI in 1998—which, the court was told, were not 'genuine contracts of reinsurance' but arrangements 'with the object of allowing the FAI Group to recognise illusory profits to improve its reported results for that year'.

Mr McGrath's main targets were US companies: General Reinsurance, which sold one of the policies; Guy Carpenter & Co, which brokered the second policy; and Goldman Sachs, which advised the FAI board during the takeover.

Individual defendants to the main claim and 39 cross-claims included the FAI executives Rodney Adler, Daniel Wilkie and Tim Mainprize, the FAI directors Geoff Hill and Ted Harris, the Goldman Sachs Australia executives Malcolm Turnbull and Russel Pillemer, and 117 former partners of FAI's auditor, Arthur Andersen.

In a letter to the Herald, Mr Adler disputed the allegation that FAI was worthless when HIH bought it, arguing that subsequent investment sales raised $450 million and its general insurance business was sold for $325 million. 'FAI did not bring down HIH', he wrote.

The HIH royal commission found that the directly quantifiable loss to HIH of the FAI takeover was $591 million, taking into account the purchase price, the proceeds of asset sales, some trading losses and an estimated $705 million in underprovisioning for insurance claims.

Mr McGrath, a partner of the insolvency firm McGrathNicol, said HIH creditors were likely to receive a further $1 billion in addition to the $1.2 billion already paid.

He expects this to leave a deficiency of about $3.8 billion.

Source: Elisabeth Sexton, The Sydney Morning Herald, 25 March 2010

HIH misled me, says investor who lost $7m

THE unhappy distinction of being one of the largest shareholders in HIH Insurance when it collapsed in March 2001 has not stopped the winemaker Darren De Bortoli from investing in the sharemarket.

'But it's given me a very healthy dose of cynicism in investing now', Mr De Bortoli said yesterday.

The cynicism is not only born of the $7 million loss sustained by De Bortoli Wines Pty Ltd.

Mr De Bortoli also says he was personally misled before he decided to buy 23 million HIH shares for the family company progressively through 2000.

Last week the company began legal action in the Federal Court to recover the $7 million.

The allegation that the loss was caused by HIH's misleading or deceptive conduct relies on published financial statements and on personal conversations recalled by Mr De Bortoli.

The statement of claim says that on October 25, 2000, Mr De Bortoli met the late Randolph Wein, then a director and two months later Ray Williams's replacement as chief executive, who said HIH was 'a damn good company', 'profitable' and 'adequately reinsured'.

The claim also refers to a dinner the same day at which HIH's general manager, public affairs, John Clarke, told Mr De Bortoli: 'Buy shares in HIH. It is a good company—good profits and is undervalued'.

De Bortoli Wines's prospects of recovering the money depend on its misleading conduct claim being put on an equal footing with those of other unsecured creditors.

Its proof of debt was rejected three weeks ago by the HIH liquidator, the McGrathNicol partner Tony McGrath. Mr McGrath declined to comment yesterday, but the statement of claim says the wine company was told 'there is insufficient evidence that it is a true liability of the company'.

In January, the federal government announced it would amend the Corporations Act to reverse the effect of the High Court's 2007 decision that a successful misleading conduct claim by a shareholder in Sons of Gwalla Ltd would rank equally with other unsecured creditors.
Mr De Bortoli said he had been advised the change in the law would not be retrospective and 'under the existing law I would be extremely confident'.

The statement of claim says Mr De Bortoli relied on 11 statements to the Stock Exchange by HIH between March and December 2000, which were repeated in seven reports by stockbroking analysts.

Source: Elisabeth Sexton, *The Sydney Morning Herald*, 23 February 2010

**Execs plead not guilty to HIH $30m scam**

Two former business executives have pleaded not guilty to fraud charges over an alleged $30 million accounting scam linked to the collapse of insurance giant HIH.

Daniel Wilkie, a former director of FAI General Insurance, and Ashraf Kamha, a general manager of an insurance division of the now defunct FAI, appeared in the NSW Supreme Court for an arraignment hearing.

They are charged in relation to an accounting transaction involving $31.4 million, allegedly designed to produce a falsely inflated profit figure for FAI in late 1997.

It is also alleged Wilkie and Kamha intended to deceive FAI General Insurance's external actuary. Justice Graham Barr said the pair were accused of knowingly acting 'with the intention of deceiving the Australian Stock Exchange'.

Both entered pleas of not guilty to three charges against them.

Justice Barr set a trial date of July 7, 2008, and released the pair on bail.

Wilkie and Kamha were charged as a result of an ASIC investigation into HIH, which collapsed in March 2001 with $5.3 billion in debts.

HIH made a successful $300 million bid for FAI in 1998 but went on to become Australia's biggest corporate failure.


**Daniel Wilkie acquitted in second FAI fraud case**

Daniel Wilkie, a former senior executive of Rodney Adler's FAI Insurance, walked free from a Sydney court yesterday.

He was found not guilty of three charges relating to FAI's reserves in late 1997. He was also acquitted of FAI-related charges in 2005.

Mr Wilkie, who had been FAI's chief operating officer, had been charged with two counts of not acting honestly in the execution of his duties, and one of being privy to the fraudulent altering of a book relating to the affairs of FAI General Insurance.

FAI had been watching its profits dropping in late 1997 and, as the HIH royal commission was told in 2002, there had been pressure within the company to reduce reserves in order to increase stated profits for the half-year to December 1997.

Mr Wilkie had been one of three FAI executives acquitted in November 2005 in the NSW Supreme Court, at judge Roderick Howie's direction, of a series of charges relating to misleading auditors over financial reinsurance policies that FAI had bought in 1998, with the aim of improving stated profits for the year to June 1998.

The others were finance director Tim Mainprize and reinsurance manager Stephen Burroughs. HIH Insurance bought FAI in early 1999 for about $300 million and collapsed in 2001, partly because of the FAI purchase, with the highest deficiency ever recorded in Australia, $5.2 billion.

Two other FAI executives, Ashraf Kamha and Antony Boulden, had pleaded guilty to charges relating to the late 1997 reserves situation at FAI. Last year, Boulden was sentenced to one year's periodic detention and in July, Kamha was given a six-month suspended sentence.
Mr Wilkie had had to go to the High Court to obtain a payout from his insurers to fund his defence in his first trial, which ended in November 2005, having been previously refused by the insurer and by a decision by the NSW Supreme Court in November 2003 to back the insurer’s refusal to pay. Within 24 hours of the 2005 acquittal, he was hit by the three charges that have resulted in a 6 1/2-week trial and his second acquittal yesterday.

Source: Andrew Main, The Australian, 14 October 2008

**Business Focus activities**

1. Using the internet and other sources, find the balance sheet and income statement for HIH. Calculate the following ratios:
   a. liquidity ratio
   b. profitability ratios, such as return on owner’s equity, and gross and net profit margin
   c. solvency ratios, such as equity and debt to equity ratios
   d. efficiency ratios.
2. Using these ratios, provide a comment on the financial health of the business.
3. Explain why HIH might have falsified its accounts.
4. Using the information in this Major Business Focus and further research, discuss the social and ethical responsibilities of HIH’s managers and the ongoing impact on society.
Google—employer of choice

Fortune magazine's 100 Best Companies to work for—Top Ten

1  SAS
2  Edward Jones
3  Wegmans
4  Google
5  Nugget market
6  DreamWorks Animation
7  NetApp
8  Boston Consulting Group
9  Qualcomm
10 Camden Property Trust

Fortune magazine's 100 Best companies to work for – Google ranked No. 4

4. Google
   Rank 4
   What makes it so great?
   The search engine king is hiring again: Google plans to add thousands of employees to its patrol in 2010.
   Though a few perks have been cut in recent years, Google last year increased 401(k) [a type of USA retirement savings account] matching and added a stock-option exchange program to help employees with underwater options. And engineers still get to devote 20% of their time to projects of their choosing.

Source: CNNMoney.com, as at 14 September 2010

Figure 4.6.01 Google has been so successful that its company name has gone into the English language as a verb—to google’ means ‘to search online’.
Growing the Google talent machine

Google is one of the most innovative recruiting organisations on the planet. In light of recent initiatives, John Sullivan takes another look inside the Google talent machine and explores its world-class practices.

In less than nine years, Google has grown from a tiny dorm room entity that couldn’t attract anyone interested in buying the technology, to a global organisation whose growth is supported by a massive recruiting organisation. While critics question the efficiency of Google recruiting practices, few question the effectiveness.

More than any other organisation, Google is credited with changing the game when it comes to recruiting leading-edge talent. Their approaches have forced reactions among nearly every other leading high technology firm trying to attract the cream of the crop, and encouraged healthy debate among functional leaders of efficiency versus effectiveness in recruiting.

Google attracts more than one million applicants a year, or nearly 130 applicants per employee—an unheard of volume for organisations of their size and age. Their recruiting machine is geared to produce approximately 800 hires per month, a volume that could double the company’s size in a single year. Using a human-powered model, Google has already screened millions of candidates, assessed thousands, and hired more than 10,000 professionals.

Google’s recruiting machine

Some of the approaches that enable the Google recruiting machine to produce include:

Employment branding. Perhaps their most significant accomplishment is how they have built an incredible employment brand. The Google culture is one of legend. Categorised in hundreds of blogs as both everything and nothing, they have successfully created an organisation capable of delivering a 1:1 employee/employer experience. From homemakers to finance professionals to cutting-edge engineers, Google is one of the top employers with regards to desirability. They were recently recognised by Business Week as the top employer of choice for college students and have appeared near the top in a multitude of rankings for MBAs, women, engineers and diverse individuals. While the company disdains advertising about itself, it considers the number of blog postings discussing Google’s culture a key measure of brand strength.

Retention. Because Google can create such a unique experience for every employee and can provide an opportunity for professionals to focus on what they do best, turnover is less than 5 per cent. While in the early days stock options might have been the dominant retention driver, employees hired recently receive only market-based pay and marginal stock participation via ‘Google stock units’. They embody the rationale that money isn’t the issue. Their employee loyalty is simply phenomenal.

Creativity. The Google recruiting team continues to come up with creative approaches. One of my favourites occurred in the Spring of 2006 when they retooled their search portal to deliver a targeted recruiting message to students and faculty of targeted schools. When individuals would access the Google search portal, Google servers would identify the IP address of the visitor, look up what organisation the IP address belonged to, and alter the portal appearance if the visitor was accessing the portal from one of the university campuses Google actively recruits from.

The approach, while not new, was implemented in Google’s typical minimalist style. They added a single text line just below the search box that asked whether the visitor was graduating and whether they were interested in a job at Google. The micro-targeting approach was simple and unobtrusive. Another example, while again not being unique, further signifies the extent to which Google is responsive to the labour force. That approach is taking the work to where the workforce already exists, namely the University of Michigan campus. The initiative took private/public cooperation to an entirely new level, ensuring that students would have access to education inherently suited to real employer demands and that Google would have unfettered access to some of the brightest minds.
Employee referral program. The year 2006 marked a banner year for investment in Google's employee referral program. Leveraging research on best practices, they retooled their program from top to bottom. The program is now designed to deliver a world-class candidate experience, be proactive, and respond to every referral within one week of submission. While many organisations design processes to meet the organisation's needs, Google recognised that a successful referral program must be designed to meet the needs of employees and referrals first.

Data-driven approach to candidate assessment. The latest innovation from Google's recruiting function is so unique that the New York Times wrote a feature story about it. The article, written by Saul Hansell and published on 3 January, detailed how the search engine company is implementing a new assessment tool that relies on an algorithm to more accurately identify candidates who resemble existing top performers. While many companies seek to screen out candidates, the new Google candidate assessment approach enables Google to include candidates who might otherwise be overlooked. The algorithm evaluates a much wider range of potential success predictors than can normally be discerned from most resumes. This innovation recognises and resolves a major flaw inherent to typical assessment methodologies that rely too heavily on academic grades, SAT scores, degrees from top schools, prior industry experience and subjective interview results.

Behind the machine

There are several reasons why Google's new approach is worthy of further study: Google had an incredible track record and no compelling reason to make a major shift in its recruiting approach. It takes extraordinary leadership to make a significant shift in your approach to recruiting without the pressure of business losses, lawsuits or union pressure. Google decided to get significantly better long before any business pressure made them change.

The recruiting team at Google is making the transition from the common 'intuition' approach to a scientific, data-based approach to selection. By broadening the range of factors considered when screening candidates, the resulting slate of hires will become more diverse and the number of innovative people (who don't have near-perfect academic credentials and industry pedigree) who get selected will improve.

This approach will undoubtedly reduce the reliance on interviews, which have ridiculously low rates of success in predicting on-the-job performance. Laszlo Bock, Google's vice-president of people operations, routinely admits that 'interviews are a terrible predictor of performance.'

Google is in the search engine business, and as a result, they routinely use algorithms to identify the best search results on the business side of the enterprise. By adopting commonly used internal business tools into the recruiting process, the recruiting function sent a message to managers that recruiting understands the business model, as well as that it's smart enough to take advantage of the world-class knowledge and talent on the 'business side' by applying it directly to the recruiting process.

The algorithm candidate screening model

The new approach to candidate screening was developed by a team that included Laszlo Bock (formerly of GE) and Todd Carlisle. The goal was to identify all of the factors that predict future on-the-job performance and success.

The basic approach is quite simple. First, you survey current employees on a variety of characteristics and traits, including teamwork, biographical information, past experiences and accomplishments (that is, have they started a company, written a book, won a championship, set a record?).

Next, you statistically determine which of these many traits your top performers and most impactful employees exhibit that differentiates them from bottom performing and average employees.

Finally, you develop an online survey to gather the predictive information from applicants. Then each candidate's biodata survey and resumes are screened electronically and given a score between zero and 100 based on how many of the top performance indicators each candidate possesses. It's important to note that using biodata to screen candidates is not a new process, but it is quite rare in companies that hire large numbers of professionals.
Soon, all applicants at Google will be asked to fill out this extensive biodata questionnaire. While some may find it a little inconvenient, the net result will be a more scientific approach to selection, which will over time translate into more productive hires and fewer ‘misses’ of top performers who can do the job in spite of their lack of stellar academic qualifications.

Final thoughts
The Google culture is unique in that it questions almost every assumption or process that governs traditional organisations. Managers are free to try new approaches, to make huge mistakes and to celebrate learning from failure. The result of this organisational methodology is a recruiting function that is not confined to traditional approaches.

The focus isn’t on reducing cost per hire by 10 cents, but rather on dramatically increasing the success rate of the function to hire individuals capable of becoming top performers. All too often, organisations become overly obsessed with efficiency and lose sight of why the function exists in the first place, a reality that leads to numerous expectations being ignored. Many organisations are realising this. In late 2006, we began seeing a number of organisations radically rethink what they do.

Google has launched some exciting new practices, and other organisations are poised to follow. All assumptions in recruiting must be challenged, and reliance on processes architected nearly a century ago must end. In the near future, all recruiting decisions will be based on data.

Our industry owes thanks to Laszlo and Todd for raising the bar and becoming role models by helping make Google recruiting more scientific and metrics driven.

Source: Dr John Sullivan, HR Leader Magazine, 6 February 2007

Top 10 reasons to work at Google

1. Lend a helping hand. With millions of visitors every month, Google has become an essential part of everyday life—like a good friend—connecting people with the information they need to live great lives.

2. Life is beautiful. Being a part of something that matters and working on products in which you can believe is remarkably fulfilling.

3. Appreciation is the best motivation, so we’ve created a fun and inspiring workspace you’ll be glad to be a part of, including on-site doctor; massage and yoga; professional development opportunities; shoreline running trails; and plenty of snacks to get you through the day.

4. Work and play are not mutually exclusive. It is possible to code and pass the puck at the same time.

5. We love our employees, and we want them to know it. Google offers a variety of benefits, including a choice of medical programs, company-matched 401(k), stock options, maternity and paternity leave, and much more.

6. Innovation is our bloodline. Even the best technology can be improved. We see endless opportunity to create even more relevant, more useful, and faster products for our users. Google is the technology leader in organising the world’s information.

7. Good company everywhere you look. Googlers range from former neurosurgeons, CEOs and US puzzle champions to alligator wrestlers and Marines. No matter what their backgrounds, Googlers make for interesting cube mates.

8. Uniting the world, one user at a time. People in every country and every language use our products. As such we think, act, and work globally—just our little contribution to making the world a better place.

9. Boldly go where no one has gone before. There are hundreds of challenges yet to solve. Your creative ideas matter here and are worth exploring. You’ll have the opportunity to develop innovative new products that millions of people will find useful.

10. There is such a thing as a free lunch after all. In fact, we have them every day: healthy, yummy, and made with love.
Benefits

'The goal is to strip away everything that gets in our employees’ way. We provide a standard package of fringe benefits, but on top of that are first-class dining facilities, gyms, laundry rooms, massage rooms, haircuts, car washes, dry cleaning, commuting buses—just about anything a hardworking employee might want. Let's face it: programmers want to program, they don't want to do their laundry. So we make it easy for them to do both.'

Eric Schmidt, CEO Google

Google's founders often state that the company is not serious about anything but search. They built a company around the idea that work should be challenging and the challenge should be fun. To that end, Google's culture is unlike any in corporate America, and it's not because of the whimsical lava lamps and large rubber balls, or the fact that one of the company's chefs used to cook for the Grateful Dead. In the same way Google puts users first when it comes to online services, Google puts employees first when it comes to daily life in its offices.

Benefits philosophy: We strive to be innovative and unique in all services we provide both to customers and employees, including our benefits and perks offerings. We realize and celebrate that our employees have diverse needs, and that this diversity requires flexible and individually directed support. Our priority is to offer a customisable program that can be tailored to the specific needs of each individual, whether they enjoy ice climbing in Alaska, want to retire by age 40, or plan to adopt three children.

Source: Google website 'Life at Google', as at February 2011

Figure 4.6.02 Google provides a stimulating and supportive work environment for its employees.

<table>
<thead>
<tr>
<th>Retirement and savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google 401(k) Plan</td>
</tr>
<tr>
<td>529 College Savings Plan</td>
</tr>
</tbody>
</table>
## Health and wellness

<table>
<thead>
<tr>
<th>Medical insurance: 3 carriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carriers for California:</td>
</tr>
<tr>
<td>Blue Shield: PPO (Preferred Provider Organisation) or HMO (Health Maintenance Organisation)</td>
</tr>
<tr>
<td>CIGNA: PPO or HMO</td>
</tr>
<tr>
<td>Kaiser: HMO</td>
</tr>
<tr>
<td>Carriers for other states:</td>
</tr>
<tr>
<td>Blue Shield: PPO (Preferred Provider Organisation) or OOA (Out of Area)</td>
</tr>
<tr>
<td>CIGNA: PPO or HMO</td>
</tr>
<tr>
<td>Dental insurance</td>
</tr>
<tr>
<td>Comprehensive coverage through Delta Dental</td>
</tr>
<tr>
<td>Vision insurance</td>
</tr>
<tr>
<td>Exams, contacts, lenses and frames all generously covered</td>
</tr>
<tr>
<td>Flex Spending Account Plan</td>
</tr>
<tr>
<td>Includes Medical Flexible Spending Account, Dependent Care Assistance Plan, and Qualified Transportation Benefit</td>
</tr>
<tr>
<td>EAP—Employee Assistance Program</td>
</tr>
<tr>
<td>Services for employees and their dependents include free short-term counselling, legal consultations, financial counselling, child care referrals, pet care referrals, and more</td>
</tr>
<tr>
<td>Life and AD&amp;D insurance</td>
</tr>
<tr>
<td>Automatic coverage at twice annual salary</td>
</tr>
<tr>
<td>Voluntary life insurance</td>
</tr>
<tr>
<td>Option to purchase additional life insurance</td>
</tr>
<tr>
<td>Short Term &amp; Long Term Disability</td>
</tr>
<tr>
<td>Short Term Disability Insurance coverage provided at approximately 100% of take-home pay. Long Term Disability coverage provided at 60% of salary once Short Term Disability is exhausted.</td>
</tr>
<tr>
<td>Business travel Accident insurance</td>
</tr>
<tr>
<td>Automatic coverage at 2 times annual salary</td>
</tr>
</tbody>
</table>

## Time away

<table>
<thead>
<tr>
<th>Vacation</th>
<th>1st year: 15 days</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4th year: 20 days</td>
</tr>
<tr>
<td></td>
<td>6th year: 25 days</td>
</tr>
<tr>
<td>Holidays</td>
<td>12 paid holidays (sick days taken as necessary)</td>
</tr>
<tr>
<td>Maternity benefits</td>
<td>Up to 12 weeks off at approximately 100% pay, eligible for an additional 6 weeks if employed at Google for more than 1 year.</td>
</tr>
<tr>
<td>Parental leave (for non-primary caregivers)</td>
<td>Up to 7 weeks off at approximately 100% take-home pay</td>
</tr>
<tr>
<td>Take-out benefit</td>
<td>To help make things easier, new moms and dads are able to expense up to $500 for take-out meals during the first 3 months that they are home with their new baby.</td>
</tr>
</tbody>
</table>
### Benefits ... beyond the basics

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition reimbursement</td>
<td>We’ll help you pursue further education that’s relevant to what you do. You must receive grades of ‘B’ or better. Why a ‘B’ or better? Because we said so. Tuition reimbursement is up to $12,000 per calendar year.</td>
</tr>
<tr>
<td>Employee Referral Program</td>
<td>Good people know other good people. Our best employees have been hired through referrals. Google encourages you to recommend candidates for opportunities here and will award you a bonus if your referral accepts our offer. We pay out these bonuses a month after the referral starts at Google.</td>
</tr>
<tr>
<td>Back-up child care</td>
<td>As a Californian employee, when your regularly scheduled child care falls through, Google will provide you with 5 free days of child care per year through Children’s Creative Learning Centre (CCLC). There are 13 Bay Area locations serving ages 6 weeks – 12 years.</td>
</tr>
<tr>
<td>Gift matching program</td>
<td>Google matches contributions of up to $3000 per year from eligible employees to non-profit organisations. Bolstering employee contributions to worthy causes with matching gifts doesn’t just mean helping hundreds of organisations, both locally and globally; it’s also a tangible expression. We want Googlers to get involved—and the company is right behind you.</td>
</tr>
<tr>
<td>Adoption assistance</td>
<td>Google assists our employees by offering financial assistance in the adoption of a child. We’ll reimburse you up to $5000 to use towards legal expenses, adoption agencies or other adoption professional fees. Parental leave and take-out benefit also apply.</td>
</tr>
</tbody>
</table>

### Benefits ... way beyond the basics

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>Hungry? Check out our free lunch and dinner—our gourmet chefs create a wide variety of healthy and delicious meals every day. Got the munchies? Google also offers snacks to help satisfy you in between meals.</td>
</tr>
<tr>
<td>On-site doctor</td>
<td>At Google headquarters in Mountain View, California, you have the convenience of seeing a doctor on-site. Physical therapy and chiropractic services are also available.</td>
</tr>
<tr>
<td>Shuttle service</td>
<td>Google is pleased to provide its Mountain View employees with free shuttles to several San Francisco, East Bay and South Bay locations.</td>
</tr>
<tr>
<td>Financial planning classes</td>
<td>Google provides objective and conflict-free financial education classes. The courses are comprehensive and cover a variety of financial topics.</td>
</tr>
<tr>
<td>Other on-site Services</td>
<td>At Google headquarters in Mountain View, you’ll find on-site oil change and car wash services, dry cleaning, massage therapy, gym, hair stylist, fitness classes and bike repair.</td>
</tr>
<tr>
<td>Other great benefits</td>
<td>Halloween &amp; holiday party, health fair, credit union, roller hockey, outdoor volleyball court, discounts for products and local attractions.</td>
</tr>
</tbody>
</table>

Source: Google website, as at 1 November 2010