

Dear All,

As summer vacations wind down and kids start getting ready to go back to school, we too are preparing for what's ahead in the busy fall season. We have some great articles to share with you in this month's L-Blast that we hope you find insightful.

Our first piece is a previously written L&A article that is one of the most read on our blog, and for good reason. The information we share in it is as critical today as it was when it was first released. In the article we highlight key insights and common misconceptions in the peer selection process that are essential to companies as they set competitive and defensible compensation levels, identify competitors and assess performance. We hope these tips are helpful as you re-evaluate your company's peer selection process.

The next article is a great read on creating effective compensation plans for private companies. It recommends a holistic approach to total rewards that's focused around the company's differentiators, strengths and weaknesses, and overall strategy.

The final piece is on proxy statements and the wealth of information found in them that could be of great benefit to investors – if they know where to look. Read on to discover the 4 key areas in proxy statements that should raise concerns for shareholders and alert company leaders of what NOT to do to ensure good governance and healthy pay practices.

We appreciate each and every one of you and as always, let us know if there is a particular subject you'd like to learn more about.

Sincerely,



Brent Longnecker and the L&A Team
Chairman and CEO
Longnecker & Associates



Comparator VS. Competitor: The Importance of Distinction For Executive Compensation

Choosing a compensation peer group can be an intense process. Companies often use peer groups to assess and maintain competitive compensation levels, identify potential competitors, assess relative performance, and defend compensation decisions. Therefore, the importance of creating the right group cannot be overstated. In fact, creating the wrong peer group not only creates the perception of a lack of governance with regard to the compensation setting process, it often results in compensation that is too high or not competitive.

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How to Make Your Private Company Executive Comp Plans More Effective

In today's environment for private companies, the issue of compensation is often a challenge when trying to attract and retain top talent often due to the lack of equity opportunity and participation. Although this is often seen as insurmountable, private companies should not necessarily look to public companies as "the model" when it comes to compensation design.

If the issue is only about the lack of equity opportunities, there are a number of ways that compensation plans can be designed to mirror and mimic performance triggers and other thresholds available in public companies.

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These are the 4 Red Flags this Money Manager Looks for in Company Proxy Statements

Corporate proxy statements can be very rich sources of information, the kind of information that could benefit investors — if they know what to look for.

Since 2002 — the era of Enron — the Sarbanes-Oxley laws have required much more disclosure in U.S. proxies, which are provided to shareholders so they can make informed decisions about matters that will be brought up at the annual meeting. While often regarded by casual observers as monotonous compilations of facts and figures, those willing to dig deeper can instead find excellent sources of information, including executive compensation and perks.

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JOIN US AT UPCOMING EVENTS

2019 Texas Total Rewards Conference

**Monday, August 5 –
Tuesday, August 6**

Hotel Contessa
306 West Market Street
San Antonio, TX 78205

The Texas Total Rewards Conference offers the chance to enhance your knowledge on current trends in total rewards, compensation and benefits.

Join L&A Director, Liz Mayo, in an engaging presentation titled **Variable Pay: Effective or Pennies from Heaven?**
Monday, 2:00 p.m. – 2:50 p.m.

[REGISTER](#)

NACD Luncheon - Houston: Diversity, Inclusion, and Unconscious Bias

**Tuesday, August 13
11:00 a.m. – 1:00 p.m.**

Junior League of Houston
1811 Briar Oaks
Houston, TX 77057

Joint program with the NACD and the Greater Houston Women's Chamber of Commerce covering diversity, inclusion, and unconscious bias.

[REGISTER](#)

NACD Austin Luncheon - Entrepreneurial Governance: Forming a Board of Directors for Startups

**Friday, August 23
11:00 a.m. – 1:00 p.m.**

Capital Factory
701 Brazos
Austin, TX 78701

In this session, speakers will address when to form a board, board selection, composition and compensation, the "nuts and bolts" of startup boards and common pitfalls to avoid.

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Let's Work Together

We know what it takes to attract, retain and motivate key talent. Contact us to develop a plan that works for your business.

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Get to Know Us

Matt Brown

CONSULTANT

Hometown: Houston, TX

Pets: A young puppy named Brie. She's a German Shepherd who loves to play, go for walks, and eat.

What is the last movie you saw in a theater? The Lion King. Disney did a great job bringing back a childhood classic to modern day.

What is the best vacation you've ever had? A cruise trip earlier this year to Cozumel and Yucatan. Being able to see unique architecture, blue water with dolphins, and sightseeing is something I won't forget.

