

VISTAGE®

Perspectives

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Reinvention

The recipe for reinvention has many variations. Meet three members with three rewarding victories.

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Making an Impression

Planting a Legacy

Robert Balentine has built his career from the ground up. He started Balentine & Company with his father in 1987 and grew it into the largest independently owned investment counseling firm in the Southeast before selling in 2002. He did it again in 2009 when he left his position as head of Wilmington Trust’s investment management business to start Balentine, LLC, which now manages more than \$3 billion in assets. In 2018, the Atlanta Business Chronicle named Balentine one of Atlanta’s Most Admired CEOs.

As someone who has spent his entire career helping others create a long-lasting and meaningful legacy with their investments, the 25-year Vistage member knew he wanted to leave a legacy of his own. He was drawn back to the Blue Ridge Mountains in North Carolina, an area that he had relished as an Eagle Scout and that had inspired a belief that it was essential for people to slow down and enjoy the outdoors.



“When I grew up, my mom said, ‘Go outside and play,’” he says. “I did and still carry that fondness. Today people are overscheduled. They have soccer practice and piano lessons, and we thought it was important for others to understand the natural world.”

When he learned that developers wanted to build homes on a mountaintop along the Blue Ridge escarpment in Western North Carolina, Balentine bought the land and placed it under conservation easement to ensure the beauty and nature remained intact for future generations. In 2002, Balentine established the Southern Highlands Reserve along the Eastern Continental Divide and dedicated the 120-acre nonprofit to cultivating, displaying and advocating for the area’s native plant life.

The reserve is more than a sanctuary. It also serves as a research center for scientists to study the effects of climate change on ecosystems. “We have 16 years of data on climate change and weather observations,” he says. “The research we’re doing is important, particularly at a time when the climate is changing so substantially.”

For Balentine, his life has taken him full circle. “Our clients typically ask, ‘Once I’ve been successful in business, how do I give back?’” says Balentine. “It felt like a role reversal when I asked myself that same question.”





Dear Vistage Member,

When we talk about our Vistage community, we use the descriptor “world class.” Inside and outside our peer group meetings, we are all striving to be better—constantly raising the bar, acknowledging that success has no finish line.

For this issue of Vistage Perspectives, we found Vistage members who took no shortcuts as they went about reinventing their businesses, their categories and themselves. Read about a Boston-based tech company rewriting the rules of corporate catering, a maritime business revitalizing historic riverboats, and a design turned branding agency in Houston fueled by the power of purpose.

This issue will also introduce you to Chair Richard Carr, the winner of the 2019 Cope Award for service, selflessness and commitment, and Speaker Dave Nelsen, a former tech CEO and noted futurist.

I’m continuously impressed by the way we invest in each other to help make better decisions for our companies, families and communities.

Best,

Sam Reese
CEO, Vistage Worldwide

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Around the Community

What's the Best Question Your Vistage Chair or a Fellow Member Asked You?

"What are you waiting for?" asked a fellow group member. ***"Blow out your business and take it to the next level. You have all the tools!"*** I haven't sat still since that aha moment.

Terry MacCauley
CEO, Big Time Advertising & Marketing, LLC, Chesterfield, MO
Vistage member since 2018

"If you left this position, what are the top three things you think your successor would do?"

Kim Janzen, CAWA
President and CEO, SPCA of Wake County, Raleigh, NC
Vistage member since 2017

"What's your holdup in hiring a COO?" I was the only holdup, and it was holding us back. I needed to get over my need for control. I finally did it, and it has transformed my life.

Kate Wells
CEO, Children's Museum of Phoenix, Phoenix, AZ
Vistage member since 2014

"How do you hire talent?" My Chair asked how I was hiring. Of course, I said by experience. The look came next and a pause. We discussed hiring for culture first and experience second. Our monthly leadership meetings now include culture building. I am so happy with the results.

Myra May, RN, MS, JD, NHA
President/CEO, New Vista Health Services, Los Angeles, CA
Vistage member since 2014

"Is your company working for you, or are you working for your company?" I replied, "I work like a dog for my company." My Chair replied, "That's a big problem that Vistage will help you to turn around." Aha and amen. After my first 11 months as a member, my company is now working for me, and it's transformed my life.

Danny Ryan
President, Precision Contracting Inc., Anaheim, CA
Vistage member since 2017

Points of View

Creating a Culture That Drives Success

Every year, Forbes publishes its list of 25 "Small Giants," which celebrates businesses that favor greatness over growth through their community involvement, commitment to staff and industry excellence. Three recent winners were Vistage members, each of them in one of Chair Steve Johandes' Grand Rapids Michigan-based groups. The commonalities don't end there. These leaders each attribute a great part of their success to building a culture that values, celebrates and incentivizes employees.

Dwight Strayer is COO of Service Express, Inc., which specializes in data center maintenance for server, storage and networking equipment.

Mike Marsiglia is managing partner and shareholder at Atomic Object, a consultancy that designs and develops custom software for businesses.

Matt Jung is co-founder of Comfort Research, which is best known for manufacturing and selling Big Joe brand products.

Q. What are your core values?

Strayer: To help our employees achieve their personal, professional and financial goals.

Marsiglia: Give a s**t, think long term, own it, share the pain, teach and learn, and act transparently.

Jung: Find a better way, do the right thing and expect the best.

Q. How did you land on those values?

Strayer: Our founder would take us to breakfast and had us go through a goal-setting program. When the founder stepped back from day-to-day operations in 2002, we knew we needed a mission statement. We looked at each other and said, "What do we do here?" We help people hit their goals.

Marsiglia: Our founder, Carl Erickson, took a step back and asked the question, "What are the behaviors that people exhibit when they contribute really well to the business?" We wrote down our observations to be sure that, as we grew, we stayed true to who we were.

Jung: We'd identified 11 things that were going to be great for the customer, but they weren't really impactful. We were in an advisory board meeting and Vistage Chair Jeff Hutsell says, "You guys just find a better way." I woke up that night like, "That dude just gave us our core value." That's part of our essence. We don't stand still.

Q. How did you ensure that your mission was ingrained in your staff and team?

Strayer: From the president down to the frontline employees, we have "ROIs"—responsibilities, objectives, indicators—that are visible to everyone. Anybody in the company can look up anyone else to see exactly what they're doing and how they're performing. We also have a quarterly report that everyone fills out with priorities and goals for the next 90 days. It helps people break down large goals into smaller segments. This creates alignment from the top down and the ground up.

Marsiglia: When we hire a new person, there's always a conversation about our values. We also built an internal recognition program that focuses on those values. We announce these recognitions every morning during our company-wide stand-up meeting. We're team oriented, so recognitions are peer-to-peer, not top-down. Overall, our philosophy is simple: Hire a team of smart people and create a culture in which they feel safe and empowered to do great work.

Jung: We have the FAB (Finding a Better Way) Award because we didn't want to create a suggestion box. Anybody can suggest anything, and the highest vote-getting suggestion gets \$2,500. But you have to be part of the implementation. You don't get to throw out an idea and walk away. We also have similar awards for Expect the Best, which we call the Awesome Award. It's peer-to-peer, and that comes with a week's paid vacation. The DiRT Award is about "Doing the Right Thing," not at Comfort Research, but in life—like donating bone marrow or saving a drowning kid.



Mark D. Goodman

Vistage Plans a Big 2019 for Our Members

By Mark D. Goodman, Vistage Chief Marketing Officer

When I speak to Vistage groups about building and sustaining strong brands, I share the concept of a “brand balance sheet.” The idea is that any organization should be building activities that focus on their best brand assets for their members and customers.

For Vistage, this means pursuing strategies and programs that bring greater value to your decision-making, and help you grow your business and grow as a leader. Toward that end, we’ve recently launched several initiatives:

New Vistage Networks

In our peer groups, we have non-competing businesses around the table. Getting those outside perspectives is tremendous. But sometimes you want guidance from other trusted global peers who understand your industry or want to connect with others who share your interests.

I’m pleased to announce that we’ve added seven new Networks, including Entrepreneurs and Small Business; Logistics, Distribution and Transportation; Real Estate; and Talent Strategies. That makes a total of 22 Networks for just-in-time advice and new connections.

Each Network has private message boards where you can seek feedback or advice, as well as distinctive events that offer an opportunity to network and learn from dynamic thought leaders.

The inside track on US policy implications

Vistage forged a new partnership with the U.S. Chamber of Commerce, the leading resource on policy and its implications for small and midsize businesses. With new and changing legislation, we’ve commissioned a series of policy-focused engagements led by the Chamber’s top experts. These are exclusive to our community and are designed to give you policy foresight straight from the halls of Congress and a clear advantage in decision-making.

We’re also entering into a partnership with the National Association of Manufacturers, the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector. NAM employs a world-class staff of policy experts who can provide Vistage members unmatched access and information on the key issues affecting manufacturing businesses and their bottom lines.

New partnerships that widen the pool of perspectives

Bringing in fresh perspectives from high-caliber business leaders only serves to strengthen our community and help each member compete at the highest levels. With that in mind, we’ve launched new partnerships with the Latino Leadership Institute (LLI) at the University of Denver, a professional development program dedicated to maximizing the potential of Latino leaders, and the Chicago Goldman Sachs 10,000 Small Businesses program, which provides access to education, capital and business support services to help entrepreneurs.



The Vistage-Stanford collaboration grows

The **Vistage Executive Leadership Program in collaboration with Stanford Graduate School of Business** launched its third cohort earlier this year. Members across 10 cities (and one virtual group) joined the one-year program, which combines the world-class thought leadership of Stanford professors with the Vistage group experience. Members credit the program with impressive results, from an executive who gained a \$100 million manufacturing client to another who grew their company by 40%.

Learn more at vistage.com/stanford.



Graduates of the first Vistage-Stanford cohort gather on Stanford's campus for a capstone experience.

Seven New Vistage Networks



Diversity Network

Best practices around workplace diversity and inclusion



Entrepreneurs and Small Business Network

Best practices for startups and small businesses that will help transform great ideas into successful businesses



Legislation and Government Policy Network

Strategies around new legislation and governmental changes that impact businesses



Logistics, Distribution and Transportation Network

Planning, management, and movement of people, materials and goods by road, pipeline, air, rail and water



Professional Services Network

For companies that offer customized, knowledge-based services to clients, helping them manage a specific part of their business



Real Estate Network

For those producing, buying and selling commercial and industrial real estate



Talent Strategies Network

Business strategies around hiring, retaining, engaging and managing people and cultures

Learn more and join at vistage.com/networks.

Measure What Matters

Identifying the right KPIs for your business

By Joe Galvin, Vistage Chief Research Officer

While most businesses track key performance indicators (KPIs) to some extent, the question to ask yourself as a leader is whether you are tracking the correct metrics. Are your KPIs giving you a general report of the health of your business, or do they pinpoint progress in a specific area that is critical to growth?

Once you have the right data, the cadence for reviewing and sharing these metrics is key to using them to take action. Formal processes around reviewing and sharing KPIs communicate progress toward goals. More importantly, they can signal things are getting off track.

Top KPIs for Vistage members

The Q3 2018 Vistage CEO Confidence Index survey asked Vistage members to share the top five KPIs they use to measure the health of their businesses. Respondents provided more than 1,900 unique KPIs.

Unsurprisingly, the following KPIs topped the list:

1.	Revenue
2.	Sales
3.	EBITDA (earnings before interest, tax, depreciation and amortization)
4.	Gross margin
5.	Profitability

Many of the KPIs represented variations on specific themes. For example, there were 110 variations of measures related to profits. However, the majority of KPIs reported were unique. This is expected, since 58% of members said they use company-specific KPIs.

Questions to consider

As you determine KPIs for your business, consider the following:

? Are your KPIs and business goals closely linked?

If you are trying to grow your business in a specific area, make sure you have KPIs that can measure that progress.

? How often do you measure KPIs?

Research indicates that most Vistage members measure their KPIs on a monthly basis. However, depending on the nature of your business, you may need to measure them more frequently (e.g., daily or weekly).

? Who sees the KPIs?

Consider whether you're sharing your KPIs with the right people in your organization. For example, do your frontline employees need to see them?

? Are your KPIs easy to collect?

If collecting your KPIs is a long and arduous process, you might want to invest in a dashboard that can easily pull reports on a weekly basis.

? Are your employees rewarded for meeting KPIs?

Align your employee rewards with your strategic goals. To drive sales for a new product line, you might consider compensating your sales team for new product sales, not just overall revenue.

Ensure you measure what matters. Align your strategy with your KPIs so you can track performance regularly. Challenge yourself and your leadership team to review what is measured and how those metrics align with your goals. Once you determine the KPIs, develop a plan to socialize them, and to drive accountability and improve results.

Member View: Sanjay Singh on KPIs

Sanjay Singh is president of Roll-Kraft, a family-owned business that supplies roll form tooling to various industries including tube and pipe manufacturers in the oil and gas sectors, consumer products, automotive, structural, agricultural and racking. A Vistage member since 2014, Singh says that his company structures its KPIs around on-time delivery, quality, customer satisfaction, EBITDA and new customers. He offers five recommendations for Vistage members.

- 1. Know what guides you.** My company uses cash, vision and organizational systems to guide our decisions. Cash shows us where we're leading or lagging. Vision is where we want to go long term, which influences our operational framework. This involves organizational systems that guide hiring decisions, performance management and other choices.
- 2. Identify your competitive advantage.** We discovered that on-time delivery and first-time performance were the factors most important to our customers. Knowing this helped shape our company vision and the kind of people we hire.

3. Measure what matters. Our KPIs focus primarily on our performance. These metrics are a scorecard that tells us if we're doing well or not.

4. Communicate performance. We display our metrics on 80-inch monitors across our locations and also share them with employees during weekly town hall meetings. This gives our employees a sense of ownership and helps them understand their roles in our success.

5. Use leading indicators to determine action. One key metric for us is the volume of requests for quotes. When that goes down, we can safely predict when the general consumer GDP will inch downward—and when we should put cost-containment plans in place.

My Group's Approach to KPIs and Accountability

Barry Fennell, principal of Wardell Builders, Inc. shares that he meets with five fellow Vistage members in the construction industry to talk KPIs over breakfast. "We share the tracking methods of our KPIs and hold one another accountable for our deliverables. It is an opportunity for each of us to learn from each other, to incorporate new ideas and be questioned on why we are doing what we are doing."

This has proven to be very effective and a worthwhile endeavor. "We also are reviewing current market trends and the impact on the construction industry in our area. As a team, we discuss the labor shortage and hiring techniques so we can prepare for the inevitable changes in the economy. As a subgroup, this is some of the value we get from the Vistage practices in our businesses."

Reinvention

As an executive, what do you do when your business model is no longer sustainable? Or even scarier, when your business is doing well but you feel you could go bigger—maybe a lot bigger? What happens when you find success but are still chasing a dream? The Vistage members featured here have all confronted these pivotal questions and decided that an incremental shift or modest improvement wouldn't cut it. They're reinventing themselves and their businesses, upending industry paradigms to realize their visions. Their journeys have not followed a straight line; they've had to call on passion, peers and a stroke of genius to overcome the obstacles they've faced. These are leaders who are unwilling to stand still when those with less ambition would call the job done.



A Recipe for Growth

ezCater CEO Stefania Mallett is cooking with the ingredients for long-term success

When Boston-based startup ezCater secured a \$100 million investment after years of incremental growth, CEO and co-founder Stefania Mallett didn't blink. She quickly moved to purchase French catering platform GoCater, securing a foothold in the EU market. Mallett puts her confidence this way: "The U.S. catering market is \$24 billion. Of late, that's started to feel small."

From engineer to executive

Mallett began her career as a promising programmer in the '70s, boasting a BS and MS from MIT. Despite these impressive credentials, she quickly found her talents were misplaced. "I was curious what the humans did with our software. The other programmers—mostly male—would tell me,

'You go talk to them. We don't want to.' I realized I am really good at understanding how people use technology, and how to make technology sing for people."

This instinct prompted Mallett to transition to executive leadership, where she went through the "hairball school of business." She explains, "I am a hairball of my many, many experiences and observations. I've been working full time in the computer industry since 1976, and the industry has been through a lot of ups and downs. I've quit a bunch of companies, I've started a bunch of companies."

Mallett started to apply the lessons learned ascending the corporate

ladder to her own startups in the early 2000s. She partnered with Briscoe Rodgers, a fellow engineer whose ace problem-solving complemented her knack for appealing to "the humans."

"We are a great partnership," Mallett says. "I am a good engineer, but he has a streak of Steve Jobs' genius."

The seeds of a startup

In 2004 they started PreferredTime, a meeting scheduling service for pharmaceutical industry sales reps. "The users loved the service, but kept asking us for a way to get food to the meetings," she says.



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Early on, we developed the discipline of measuring everything that we did, to know whether to throw our limited money at it.

Stefania Mallett | Vistage Member

“We saw that organizing the food, rather than the meetings themselves, was the real opportunity.”

Mallett and Rodgers had to shut down PreferredTime in 2007 when funding ran out. They immediately launched their next venture, taking what assets they could from PreferredTime. “We brought knowledge of how sales reps think about food and how food facilitates meetings. And contacts for a third of all pharma reps in the country, with whom we had good relationships.”

Despite these advantages, ezCater underwent a bootstrapping period of five years. “I recently compiled a history of the company, and you could see that those first years were like the blade of the hockey stick—nothing happened. But once we hit the stick, we went straight up it. When I showed Briscoe, he remarked, ‘Good thing we’re stubborn.’”

The rabid loyalty of their first customers also helped. “I remember a panicked call to our 800 number from a woman who thought the website had shut down. She said she couldn’t imagine going back to ordering food directly from restaurants! It turned out she’d just mistyped our URL, but her anxiety over losing our service—that kept us going.”

Data-driven growth

Mallett explains that ezCater’s growth spurt partly reflects the nature of their business: Once they’d figured out how to expand their catering network nationwide, new customers rushed to join, which in turn attracted an explosion of new caterers on the service.

Importantly, ezCater had systems in place to ride this growth without capsizing. “Our first angel investors were all surprised at our efficiency and the maturity of our processes. Just about every decision is data-driven,” Mallett explains. “Briscoe and I run the company like engineers, so early on, we developed the discipline of measuring everything that we did, to know whether to throw our limited money at it. We would have an investor recommend a strategy and come back that we’d already A/B tested it and ruled it out.”

She adds that her reliance on data also reflects a hard-earned lesson. “There is still a bias against female CEOs, so you can’t rely on building business relationships in the country club. You have to use the data.”

Data also helps Mallett circumvent personal bias. This is key to ezCater’s equitable and efficient workplace culture. “We have a single compensation structure, promotions are based on results, and we’re completely transparent about just about everything. Because we don’t get caught up in office politics—there’s no mystery around why a decision is made, no specter of favoritism or anything like that—we can move fast,” Mallett says.

Because of the mutual trust ezCater’s culture has built, Mallett finds she is able to cede more control to her employees—not easy, she admits, but essential if ezCater is to keep up with the market. “You have to give your talent so much authority that you cringe. If I’m not cringing three times per day per department, I haven’t delegated enough control.”

Advice and affirmation from the group

As ezCater looks to conquer a comparably massive market in the EU, Mallett relies on every bit of wisdom she’s accumulated through her many personal and professional transitions. She credits her Vistage Chair, Jeff Janer, who’s mentored her since 2016, with helping her. Since Janer deliberately crafts his Vistage group to include CEOs from companies at a wide range of stages, everyone is forced to clearly explain—and therefore understand—what they are instinctively doing. “He tells us to make conscious choices,” Mallett says. “Don’t just do things; get to the why.”

Vistage has also helped Mallett understand places where she was plain wrong. “One speaker in particular, Eve Grodnitzky, made a comment about the growth mindset that made me pause. I realized that ezCater’s culture of risk-taking and insane helpfulness wasn’t a lucky byproduct of our success; it was perhaps the biggest driver of our success,” Mallett says. “Our growth and the influx of capital didn’t mean we need to suddenly rethink how we are running ezCater. Rather, it is because of the processes and culture we’d already put in place that we are in a position to capitalize. What we need to do now is make sure we keep it up.”

Cruising Upriver

John Waggoner’s fleet of riverboats is full steam ahead

In the wake of the 2008 subprime mortgage crisis, the American Queen, the largest riverboat on the Mississippi, was decommissioned after her operator, Majestic America Line, defaulted on her mortgage.

But where the banks were content to maroon this jewel of American history, John Waggoner saw an opportunity not just to make money but to revitalize America’s great waterways.

For the preceding 20 years, Waggoner had run New Albany, Indiana-based Hornblower Marine Services (now HMS Global Maritime), which managed boats for casino and ferry operators. Purchasing the decadent Queen was an about-face for the lucrative business. “This was a departure for us,” he explains, “but the economics made sense. The demand for riverboats hadn’t gone anywhere, but the supply had basically been cut to zero.”

Taking on the Queen might have been a leap for the HMS board, but for Waggoner, owning a boat was something he’d envisioned since about the time he could walk. “Growing up on a farm, I loved fishing. Shortly after moving to San Diego in the fifth grade I’d discovered this leisure fishing boat at Fisherman’s Landing, but I didn’t have the money to go out. To pay my way, I agreed to scrub it head to toe. I fell in love with boats.”



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It was my childhood dream to play with boats. I’m happy so long as I never have to get a real job.

John Waggoner | Vistage Member

Owning the world’s largest riverboat was an auspicious start to Waggoner’s fleet, and sweetening the deal, the U.S. Maritime Administration, who had held the mortgage on the Queen, was willing to cut Waggoner a bargain at \$15 million—a fraction of the \$100 million it would cost to construct a comparable boat. Waggoner cobbled together a loan from several small lenders. He laughs when he recalls the process: “One piece was a HUD loan for \$9 million. They treated it like a house. I had to tell them, ‘Yes, the property is located in a floodplain, and yes, there is sometimes water in the basement, but we call it the bilge.’”

He found the additional \$15 million needed for renovations and an office in Memphis, which had started construction on an expensive new dock just before the 2008 crisis. “They had a dock, but no boats. So Mayor A C Wharton persuaded the city and several high-wealth individuals to make up the rest of the loan,” Waggoner says.

This allowed him to make the purchase, but he had to put up personal guarantees.

“My wife honestly thought I was going to have a heart attack,” he recalls.

“I couldn’t promise her we wouldn’t lose our house.”



The paddle wheel starts turning

Waggoner's Vistage group, where he had been a member since 2011, helped him cope with the challenges associated with the new venture. "I'm a lifelong athlete, so I've always exercised. But my Chair, Michael Strickland, brought in speakers that really helped me focus on wellness and manage the stress," he says. "And I got a lot of help with finance, with culture—hiring the right people—all of which helped tremendously."

For two years, Waggoner and his team poured blood and sweat into the Queen. "My team and I took tremendous pride in the restoration. We saw to every detail, down to the mahogany handrails, brass outlet covers and matching screws. Even the engine room is pristine," he says. The restoration was well-received, but HMS nonetheless lost \$7 million during her first year back in operation. Waggoner didn't lose faith. He asserts, "The elevator pitch was—and still is—really straightforward: We buy distressed assets at a distressed price and use our knowledge to revitalize them for an underutilized market."

The paddles kept turning, and after that first rocky year, the money started flowing in. "People are hungry for nostalgia," Waggoner explains. "One passenger might want to explore the old antebellum mansions along the river, while the highlight for a WWII vet might be talking shop over a coffee with the engine room crew."

From captain to admiral

Waggoner's success running overnight cruises prompted the Maritime Administration to offer HMS a second riverboat, the American Empress. After this venture proved successful, Waggoner set his sights on more new boats—and more ambitious restorations. "The Queen and Empress were already outfitted as dinner cruises. We had to completely gut the American Duchess, a



casino boat, and we've cut the American Countess in half and added a 60 ft. midsection so she will carry enough passengers to be profitable when she's launched in 2020," he says.

Despite the proven success of the HMS business model, which today brings in more than \$150 million in annual revenue and provides work to some 860 employees, Waggoner has had to personally guarantee new riverboat loans. He says this was stymying the company's growth. Following the advice of his Vistage group, he recently took on an outside investor and feels new ownership offers HMS the best path forward. "Due to the influx of capital and credit, we can already project that HMS will double in size over the next three years," Waggoner says.

Though HMS Global Maritime's expanded fleet increasingly requires that Waggoner step back from operations and provide the oversight of an admiral rather than a deckhand, the CEO admits he has never quite outgrown the boy who scrubbed fishing boats. "Running HMS has never really felt like work," says Waggoner. "It was my childhood dream to play with boats. I'm happy so long as I never have to get a real job."

A Savage Purpose

A struggling design firm discovered that what's on the inside really is what counts

In 1999, Bethany Andell was working in Hollywood as an art department coordinator. In her hometown of Houston, a buyer slated to purchase Savage Brands, which belonged to her mother Paula Savage, had backed out at the last minute. Savage asked Andell to move home and help run the business, so Andell said goodbye to Hollywood and enrolled in Rice University's MBA program, hoping to better understand the business she'd inherited. What she received was a rude awakening.

"My entrepreneurship professor taught us to design our own websites," Andell recalls. "It struck me that Savage couldn't keep charging six figures for web design if the average business student could now make a site in a semester."

Reinventing the reinventor

The devaluation of graphic design services prompted Andell and her mother to reimagine Savage Brands as a more holistic branding and communications firm. During this transition, she met a CEO who shared that his company's logo had been designed by a freelancer found online—for a total cost of \$40. "I had to fight back tears," Andell says. "I returned to the office and told everyone that we could either become the fast food of graphic design, or we could push Savage into new territory."



Bethany Andell

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We started by asking executive leadership to engage and build cultures, leading with their purpose.

Bethany Andell | Vistage Member

Around this time a friend and client shared Simon Sinek's seminal book on leadership, "Start with Why," which prompted Andell to consider the central role a company's purpose—why it exists beyond profit or shareholder value—should play in shaping its brand. Andell and her team began to reengineer how Savage approached its clients. She directed Savage's strategy and creative teams to develop experiences that would help CEOs and their leadership teams connect with their core purpose.

"Instead of starting with investor perception studies and market research to determine outside perceptions of a company, we started by asking executive leadership to engage and build cultures, leading with their purpose." She explains, "I worried that executives might mistakenly think that putting purpose before profit means the business won't be profitable. But many of the most successful companies—Southwest Airlines, Whole Foods—were built around purpose from day one. However, many more are stuck in the 'money first' mindset."





Reinvention

The work proved novel and challenging, both for Savage's team and clients. "Our designers can't just think in a graphical medium. Instead, we have to become storytellers, experience designers and purpose ambassadors—we have to create opportunities for an employee, a customer or an investor to connect with the company's purpose and experience the brand." Because these experiences create strong, sometimes visceral connections, they have the power to shake up companies. "Executives have self-selected out of a company because they realize they're not aligned with its purpose. That sounds scary, but we receive letters of thanks, both from the executive and their former company."

Practicing what you preach

Andell believes that Savage's own reinvention has given them the empathy to help clients through this soul-searching work. "Savage was the first guinea pig. We're transparent with clients about where we've failed and the challenges we still face. We reference our own 'messy middle'—our own uncertainty and false starts that occurred during our transition—to help them, and help us, live our brand."

She adds that her Vistage group, which she joined in 2013, has reinforced the importance of aligning leadership with purpose. "The group always checks that your 'whole self' is showing up and that you're living the same values at home as you are at the office. I've come to see that when a company is authentically living its purpose, your resolve to stay the course will be tested daily—but that's something to run to, not run from."

Savage Brands' reinvention as a purpose-driven firm has revitalized the business and enriched the team's relationship with clients. "We have a real seat at the table. Our work can directly impact a company's strategy, rather than just dress it up," Andell says. "The bottom line is still the bottom line—the value this approach delivers for our clients. What we've found is that being purpose-driven leads not just to more profit and more opportunity, but to better profit and better opportunity."



40 Years with Vistage

The Vistage Cope Award winner shares his insights on the power of peers

If anyone could be called a Vistage celebrity, it's Richard Carr. He's served as a Chair in Southern California for 13 years and as Vistage's CEO from 1998 to 2001. He recently launched a Vistage Inside group for the leadership team at Taylor Guitar. And this year he received Vistage's most prestigious honor, the Cope Award, given to a single Chair each year in recognition of their lifetime contributions to the organization. Yet for all the limelight, Carr sees his members as the stars.

Carr's Chairing philosophy was inspired by the lessons he learned in the Army, first as a West Point cadet then as a decorated company commander. "In 1967, I had the opportunity to serve in Germany as the aide to General Frank Mildren, who was one of the great heroes in my life," Carr says. "For two days of every week, I would travel with him in the field to live with some of the 6,000 troops under his command. He believed that to lead effectively, you had to 'eat the dog food' yourself." In Mildren's leadership, Carr saw the importance of the perspectives of the team over the singular insights of a leader.

Carr first discovered the power of the Vistage group not as a Chair, but as a member. After resigning from the military, Carr bought a side business his father had purchased out of bankruptcy, Sentinel Container. "I was just 29. I found that while I'd learned a whole lot about leadership in the military, I was lacking in some critical business disciplines," Carr says.

“Through the relationships you develop, you gain access to these profound insights you would not get to on your own.”

Richard Carr | Vistage Chair

"The one-to-ones, and especially the group meetings, became part of the fabric of how I learn." After a successful run with Sentinel, Carr wanted to share the wealth of his experience with the next generation of business leaders. He became a Chair. However, he says the shift from executive to mentor necessitated a profound shift in mindset.

"A Chair isn't focused on their own success or the success of their business, but on the success of their members," he explains. "There can't be any competing agenda."

The work has been rewarding; Carr has helped the members in his groups seize some incredible opportunities and overcome all manner of challenges.

Vistage CEO Sam Reese presents Chair Richard Carr with the Cope Award.

However, it's the emotionally fraught decisions that have really stuck with him. "The group is often at its most powerful when a member is dealing with crisis," Carr says. "One of my groups helped an owner of a business with many locations who was struggling during a bad recession. The group helped him make the tough decision to downsize, which saved the business in the long term."

Carr says the group is especially powerful when the crises are personal. "A member of mine was dealing with a serious illness and felt desperate to sell. We helped him take a breath, and see that he really shouldn't make a life-changing decision under the influence of his emotions. The group prevented him from making a rash decision, in part by helping him see how a sale would hurt everyone who worked there."

The remarkable results that come from peer perspectives are, to Carr, a kind of magic—but impossible if a member doesn't build real relationships within their group. "To all members, or anyone thinking about becoming one, you need to be present and vulnerable," he says. "This means divulging your story, fully, and hearing the stories of your peers. Through the relationships you develop, you gain access to these profound insights you would not get to on your own."



Vistage China

Creating opportunities in newly privatized markets

The pace and extent of China's privatization and globalization show no signs of slowing. This has opened the door for entrepreneurs like Zheng Cheng. Cheng worked as a surgeon before founding Allcure Medical Technology, which partners with China's hospitals to offer advanced tumor diagnosis and treatment services. "In the last 10 years, the country has done a lot to open up the healthcare services industry," says Cheng. "Policies are increasingly liberal, and private hospitals' potential for growth is becoming ever greater."

The healthcare sector in particular is undergoing a period of extensive reform. The government, pressured by increased personal incomes and soaring rates of cancer, diabetes, obesity and heart disease, is actively encouraging domestic and international private investments to improve healthcare service quality in an industry that for decades was dominated by state-owned hospitals.

Doing Business in China

- ▶ **The opportunity is real.** Deregulation and a growing middle class have opened new markets to international businesses. For example, the expansion of state insurance has boosted sales of foreign pharmaceuticals.
- ▶ **So is the challenge.** Regulations are complex. And not only are Chinese businesses strong in their own right, many benefit from government backing.
- ▶ **You need representation.** Vistage China founder Morgan Xu stresses the importance of finding capable industry-specific sales reps. Their business networks, knowledge of industry regulations and trade licenses are critical for small and midsize businesses.

Allcure isn't simply a privatized alternative to these hospitals. It is able to offer services previously unavailable in most parts of China, including tumor radiotherapy software and hardware, online and offline information systems, and installation and maintenance of radiotherapy equipment.

By 2020, healthcare spending is expected to reach ¥6.5 trillion (\$1 trillion), almost a sevenfold increase from 2006. In 2013, Cheng joined Vistage China for help meeting this demand. "Operations are highly complex, and the company must grapple with difficult decisions," Cheng says. But five years of Vistage meetings and exchanges with other executives at the vanguard of China's new wave of private business have "upgraded his mindset." These peers include the founders and chairmen of China's two largest smartphone brands, Xiaomi and Oppo, as well as SenseTime, the world's most valuable AI startup, and Tencent-backed Tongcheng-eLong, China's third-largest online travel agency.

Morgan Xu, president and CEO of Vistage China, says that while members deal with many of the same challenges, groups place heavy emphasis on sales, marketing and the ability to attract talent. Within these areas, members face challenges particular to China. For example, members will often help each other recruit industry-specific sales reps, who are essential to navigating China's complex networking and business regulations. "You can have a great product, but it will still depend on sales," Xu says. "If you can't find a good sales agent, your business in China is ruined."

Cheng, whose background is in medicine, says Vistage has helped him become a better businessman. "I've learned how to think through complex problems, for example by starting with a real question, endlessly exploring, examining, and reflecting, and finally figuring out what it is that's bothering me," says Cheng. "It's a magical process."

Cheng says the discussion-driven meetings with other Vistage China members have slowly transformed how he runs Allcure. "My leadership style has gradually become less like that of a chief, and more like that of a coach and consultant," he says, explaining how he has facilitated more of a discussion-based approach with colleagues to foster greater team consensus and to think through issues from more angles. "This has been very helpful for building a team."

Recently, Cheng has partnered with University of Texas MD Anderson Cancer Center, which is furthering Allcure's research and development process. The partnership is just one example of the increased opportunity for international businesses in China, and speaks to a core focus for the small and midsize businesses joining Vistage China.

"We help build bridges," Xu says. "I think the resources we provide are undeniable."

Preparing for the Future

With Dave Nelsen, our 2018 Lifetime Achievement Award Winner



Dave Nelsen

Dave Nelsen never set out to be a speaker. He built, funded and successfully sold two software companies and worked for a third. He was an Ernst & Young Entrepreneur of the Year award winner, and was honored as CEO of the Year by the Tech Council.

But in 2009, he was inspired to educate his own Vistage group

about how to leverage social media—and that took on a life of its own. "I had no larger ambition when it came to speaking, but I was strongly encouraged to share my social media program with the entire Vistage community."

That was 10 years and roughly 1,000 presentations ago. In 2016, Nelsen sold his last software company and became a Vistage speaker full time.

In his newest Vistage speaker program, "The future and how to prosper in it," Nelsen paints a picture of the not-too-distant future. It's pretty dramatic. For example, within 10 years, the notorious LA traffic may largely disappear because autonomous vehicles can follow close together, almost like railroad cars.

According to Nelsen, the world is going through rapid change, and he predicts a radical departure from the way things are today. He predicts that in just six years, self-driving cars will be the norm.

“Half of all current jobs will be replaced by machines within 20 years.”

Dave Nelsen | Vistage Speaker

"That means the cost of transportation comes down. Car dealerships start closing. There are fewer crashes and fewer injuries. Insurance rates go down, their revenues start to collapse, and they cut staff radically. There will be less of a need for auto body shops and for people who drive for a living. There are all of these cascading effects. Whole industries will collapse, but new opportunities will arise," he says.

"And that's just an example of one new technology. Let's not even start on artificial intelligence and the professionals it will replace. Industrialization was essentially substituting for muscle power, freeing us from physical tasks. Technology is moving us into the cognitive and intellectual domain where most of the professional jobs are."

His prediction?

"Half of all current jobs will be replaced by machines within 20 years." He also speculates about how people will earn a living in the future—but you'll have to attend his program to find out: "Approximately 85% of Vistage members are utterly shocked by what I reveal."

"Ultimately my message to Vistage members is that you want to be the first to benefit as artificial intelligence, robotics and technology move into the cognitive domain. If you can have a reasonable picture of the future, you can make better decisions, better allocations and better investments.

"The good news is that as a Vistage member, you're already ahead of the curve. You're exposed to new perspectives, so you are used to adapting to change."



Celebrating Our Community

Vistage recognizes standout members

Our 2018 Member Excellence Awards recognize outstanding members across the U.S. Each community nominated members for exceptional leadership, impact in their first years with Vistage and lifetime achievement. See more winners at vistage.com/awards.

 Vistage Leadership Award	 Vistage Impact Award	 Lifetime Achievement Award
<p>Honors a member for their recent or ongoing achievements in leadership that benefit their companies, families and communities</p>	<p>Recognizes the remarkable development, achievement and impact of members with 1-3 years' tenure</p>	<p>Honors the achievements and ongoing commitment to learning and development of a long-standing Vistage member</p>
Birmingham		
 Denson Franklin Partner Bradley Arant Boult Cummings LLP Member since 2012		
Charlotte		
 Andrew Odze Managing Partner eXecutive leadership partners Member since 2017		
Chicago		
 Mike Santoro President Walker Sands Communications Member since 2014		
Cincinnati		
 David Linger CEO TechSolve Inc. Member since 2016		
Colorado		
 James Logan President and CEO One Rain Corp. and High Sierra Corp. Member since 2007		
	Bobby Mason President SPOC Automation Member since 2015	
	Francisco Alvarado President and CEO Marand Builders Member since 2015	
	Dan Zeman President Zeman Manufacturing Company Member since 2014	
	Jim Jurgensen CEO John R. Jurgensen Company Member since 2014	
	Brad Kopitz CEO Artifact Uprising Member since 2017	
		Dwight Sandlin CEO Signature Homes Member since 1997
		Roger Shaul President Interstates Companies Member since 2014
		Lawrence Kessler President Sonoscan Member since 1991
		Scott McQuinn CEO Life Enriching Communities Member since 1999
		Ray Singleton Executive Vice President Earthstone Energy Member since 1992

Vistage Leadership Award	Vistage Impact Award	Lifetime Achievement Award
Columbus		
 Mike Campbell Owner Ares Sportswear and Dyenomite Apparel Member since 2015	 Pat Scales Owner Pat Scales Remodeling Member since 2015	 Mark Daniels President M+A Architects Member since 2012
Indianapolis		
 Curtis Rector CEO Arbor Homes, LLC Member since 2010	 Diana Stewart President EnvirOx LLC Member since 2016	 Willis Rick Conner President American Structurepoint, Inc. Member since 2010
Memphis		
 Nick Gant Founder and President Gant Systems Member since 2016	 Lori Turner-Wilson Founder and CEO RedRover Sales & Marketing Strategy Member since 2016	 Tim Clay President and CEO Cornerstone Systems, Inc. Member since 2012
Minnesota		
 Geoff Roise COO Lindsay Windows Member since 2010	 Guy Fox President Fox Underground Member since 2017	 Jay Bruber CEO Presolvent Member since 2012
Omaha		
 Trevor Bullock CEO Alivation Health Member since 2017	 Steve Maly Activist (founder and owner) Maly Marketing Member since 2015	 Dave Crumrine President Interstates Companies Member since 2009
Orange County, CA		
 Randy Regier President and CEO Taylor Design Member since 2012	 Josh Blake CEO Gander Group Member since 2012	 Andrew McNeill CEO Arlon Graphics Member since 2004
Philadelphia		
 Tom Spann CEO Accolade Member since 2015	 Suchit Bachalli President, North America Unilog Content Solutions Member since 2016	 Fran Pierce Chairman and CEO Data Systems Analysts Member since 1992
Raleigh-Durham / Research Triangle		
 Anita Holt President and CEO The Forest at Duke Member since 2017	 Andy Sharpe President and CEO Buhler Aeroglide Member since 2016	 Randy Nelson Owner Nstar Global Services Member since 2004
Seattle		
 Jeff Dance CEO Fresh Consulting Member since 2013	 Ross Treleven District Manager W.B. Sprague Co., Inc. Member since 2015	 Foss Miller President Pacific Research Laboratories Member since 1989
St. Louis		
 Patrick Melson President Midtown Home Improvements Member since 2015	 Justin Woodard President Woodard Cleaning & Restoration Member since 2014	 Donald Jubel President and CEO Spartan Light Metal Products, Inc. Member since 2012

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