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Perspectives



DYNAMIC DECISION-MAKING: A New Model for CEOs

A Member's Steely
Determination to Succeed

3 Decades of "Going to Fun"
as a Vistage Chair

6 Big Decisions on the
Minds of CEOs

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- Allan Anderson, Vistage member since 2013

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CEO, Vistage Worldwide, Inc.



Dear Vistage Member,

The caliber, collaboration and vibrancy of the Vistage community is unmatched: 21,000 CEOs and key executives worldwide, connected in the pursuit of personal and professional excellence. Each month, we meet with our private advisory boards and Chairs to share diverse perspectives and power each other's success.

So, it's only fitting that we name our inaugural member magazine *Vistage Perspectives*. Our goals are to stimulate your thinking with the latest in thought leadership, share insights and lessons from our community, and celebrate the accomplishments of fellow members.

Our first issue spotlights member **Nora Eberl**, who is honored for her significant achievement in improving the financial performance of her family business. You'll also find features on distinguished Chair **Larry Cassidy** and award-winning speaker **Eve Grodnitzky**, among others.

We also introduce research findings that reveal the collective priorities of the Vistage community and major decisions within the coming year, as well as a new framework to inform your decisions on leadership enhancement and business optimization.

I am enthusiastic that *Vistage Perspectives* will foster a stronger sense of community and spark new ideas to help you drive better decisions and achieve better results.

Thank you for your membership.

Sam Reese

VISTAGE
Perspectives

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An Iron Woman Takes on a New Role

Moving into a new role required overcoming key challenges. Vistage helped one member find the confidence she needed.



When **Nora Eberl** and her cousin John Eberl assumed ownership of Eberl Iron Works, Inc., their family's 94-year-old business in Buffalo, New York, she occasionally suffered from "imposter syndrome." The light steel fabrication business makes specialty products, such as stair pans—steel forms into which the concrete is poured for a flight of stairs. It was a very different field from public accounting, where she had worked as a CPA.

"I had the feeling that people were going to see right through me and realize I didn't know what I was doing," recalls Eberl, chief financial officer of the firm.

It was Stan Wyner, Eberl's coach at the leadership training and executive coaching group Vistage, who helped her understand that this was not uncommon for people new to executive roles and helped her realize she was well equipped to tackle her new role. "I have a level of confidence in myself now," says Eberl, who just marked her 19th year with the company.

That confidence has helped her collaborate with John, the firm's CEO, to position Eberl Iron for fast growth since she joined Vistage five years ago. In that period, Eberl Iron, founded by her grandfather and his brother, has nearly tripled its revenue and doubled its headcount to 34 people.

One key lesson Eberl has learned in her Vistage group and in coaching sessions with Wyner is to delegate more. Once reluctant to take the time to train her team so she could hand off projects, she has begun to do just that, with the group's encouragement. In case she slips back into old habits, she now has a sign near her desk that

asks, "Can anyone else do this? Is this the best use of my time?"

Eberl finds the one-on-one coaching sessions help keep her accountable for moving the business forward. To prepare for the one-on-one meeting, she fills out a form about her key concerns. It's a task, she admits, that she sometimes views as she would a trip to the dentist's office, but finds that it forces her to address important issues in the business. Wyner often reads between the lines to help her dig deeper. "He frequently veers off it and addresses what I haven't put on there that I probably should have," she says.

Eberl has often turned to Wyner for advice on other parts of her life, as well. Beyond being CFO, she is the mother of three children, ages 6 to 10. At one point, she found she wasn't making much time for self-care. "He convinced me it wasn't self-ish to take care of myself," says Eberl. She now has a standing desk so she is not sitting all day, does yoga, and, after a Vistage speaker inspired her, has taken up meditation.

Being nudged to think in new ways by Wyner and her fellow members hasn't always been easy, says Eberl, but she is up for it. "You've got to be invested in developing yourself and constantly moving forward," she says. "It can be painful at times, but the end result is really worth it."

3 Decades of Fun

In Vistage, Group Chair Larry Cassidy found ways to "go to fun" instead of work.

People often ask Vistage Group Chair **Larry Cassidy** how long he plans to continue leading Vistage groups. The veteran corporate executive just celebrated his 80th birthday. "I don't go to work every day," says Cassidy. "I go to fun. When I wake up one morning and think I'm going to work instead of fun, I'll consider wrapping it up."



Cassidy, who just celebrated his 30th year with Vistage, joined the organization—then known as TEC—as a member in 1983, inspired by the enthusiasm of two CEOs he'd worked for. One was Ralph Stayer, the legendary owner of Johnsonville Sausage. After serving as CEO of a consumer optics

company, Cassidy, a Marine Corps veteran and an MBA graduate of Northwestern University, was offered a position running a Vistage group to replace a retiring Chair. He decided to try a new path and began running his first group in 1987 and added two more that year. "I felt like I could build a business of my own," he says. "I had never been an entrepreneur."

So why did he stay 30 years? "I think the answer a lot of Chairs might give initially would have been something around really assisting other business-people with running their business better, to be better leaders," says Cassidy. "What Vistage really is about, at that level, is creating new perspectives for people, creating options for them they didn't think about. That ends up creating better decisions." But when Cassidy looks back, he thinks there was another driving force as well—the personal growth he experienced and the chance to become "a much better version of myself."

As group Chair, Cassidy works monthly with

more than 50 Southern California executives in his two chief executive/business owner groups and one key executive group. Every month, he holds an all-day meeting, often with a speaker. He also offers one-on-one coaching to each of the members in between the meetings. "If they made a commitment that they are going to do something, then I am partly the accountability maven," he says.

Over the years, Cassidy has developed an arsenal of probing questions to keep these executives open to the exciting possibilities in front of them as leaders. At a recent meeting, he began, "The chairman of the board walks into your office on Friday afternoon and says you are terminated. What would your replacement CEO do in the first 30, 60 or 90 days that you're not doing?" As the group members began ticking off to-dos, he asked, "Why aren't you doing that? Do we have to fire you to get it done?" Under his guidance, each committed to execute on two or three goals—and report on their progress at subsequent meetings. "If we don't have commitments, it was just a day full of nice conversation," he says.

The members who get the most out of Vistage are learners, Cassidy says. "They are willing to put aside their preconceived notions and open themselves up to other possibilities."

That learning often extends to topics that aren't on the meeting agendas. "We talk about everything from parents and brothers passing away and people getting divorced to something like, 'Do I lease or buy the next building?'" he says. "One of the great things about this job is that you get out of your car, go up the sidewalk, and you do not know what is waiting for you—but it will be challenging, and it will be important."

6 Major Decisions Facing Vistage SMBs

We asked Vistage CEOs about their businesses. They told us what is on their minds.

By Joe Galvin, Vistage chief research officer



At Vistage Research, we believe research without data is just another opinion. So, as part of a recent Vistage CEO Confidence Index survey of CEOs and owners of small and midsize businesses (SMBs), we asked the Vistage member community, "What are the major decisions you'll have to make regarding your business in 2017?"

The challenge with an open-ended question like this is that the responses are not easily quantifiable. However, text analytics allows the translation of unstructured text into meaningful data for analysis and comparison. And while not digitally precise, they are directionally accurate and predictive of our members' intentions. Vistage Research enlisted the services of Dr. Howard Olsen from On-Strategy to perform the text conversion and analysis. Dr. Olsen's analysis achieved confidence levels of 95 percent on the 1,082 text responses. Individually, the top six major decisions as identified by the Vistage community represented one-third of all responses.

1. Hiring

Identifying, recruiting and hiring top talent is a huge challenge. Yet, without upgraded and incremental talent, it's very hard to grow. Hiring for growth, hiring executives, hiring fast, hiring trade talent, when to hire, how to hire, firing and topgrading talent were among the major decisions Vistage members faced. In addition, several commented on the difficulty of financing new talent and specifically "hiring ahead of revenues."

2. Growth

Growth is the goal and fundamental challenge of all organizations. It may require adding new people with expanded talents. Growth is a constant when thinking about attracting, closing and retaining customers. It touches on operational decisions related to facilities, expansion and technology. Financial decisions regarding accessing capital, potential acquisitions and investments are also growth oriented. While members viewed growth as vital to their organization, their responses were cautious in their approach, citing concerns such as right-sizing, limiting financial risks, and finding staff that will hold to company standards.

3. People/Talent

Getting the "right people" in the "right seats" and giving workers the skills and competencies they require to succeed and advance were viewed as essential and mentioned in other categories as well. While the tight labor market makes hiring difficult, it also puts great pressure on organizations to retain and grow the good people they have. With a smaller number of employees, the loss of even one key employee can be a setback to an SMB.

4. Sales

Without customers, there is no business, so a focus on sales is expected. Strategic decisions, such as the evolution of the sales function, customer coverage model and sales structure, must be made as small businesses become large. New products require marketing support, new messages and training for the salespeople as they call on new customers or buying centers and encounter new competitors. Understandably, many members commented on the need to build their sales team, citing concerns such as when to hire, how to find the right people, how to incentivize them and what to do when they don't meet expectations.

5. Acquisition

Acquisition (and divestment) strategies were clearly on the minds of many of our members. The financial implications of an acquisition are central to this decision. How much to pay, how to finance and how to integrate an acquired company were themes that dominated the responses. Acquisitions also typically include facilities or other physical assets that need to be evaluated. In addition to acquisitions, members also mentioned mergers and alliances as a way to produce revenue growth.

6. Succession Planning

As part of a broader talent management strategy, succession planning looks ahead to the future leaders of the organization. For some, this becomes a developmental exercise of evaluating and developing existing talent, at all levels of the organization, against future needs. This often connects back to hiring, as the existing people may lack the experience or competencies to take on bigger roles in a larger company. In family businesses, succession planning takes on the additional nuance of passing the business on to the next generation.

Top 6 Areas of Investment

We asked Vistage members a follow-on question as part of the same survey: "What are the top 3 areas of your business you'll invest in over the next 12 months?" Here are the top six answers to this question, representing 28 percent of responses:

People

Sales

Technology

Marketing

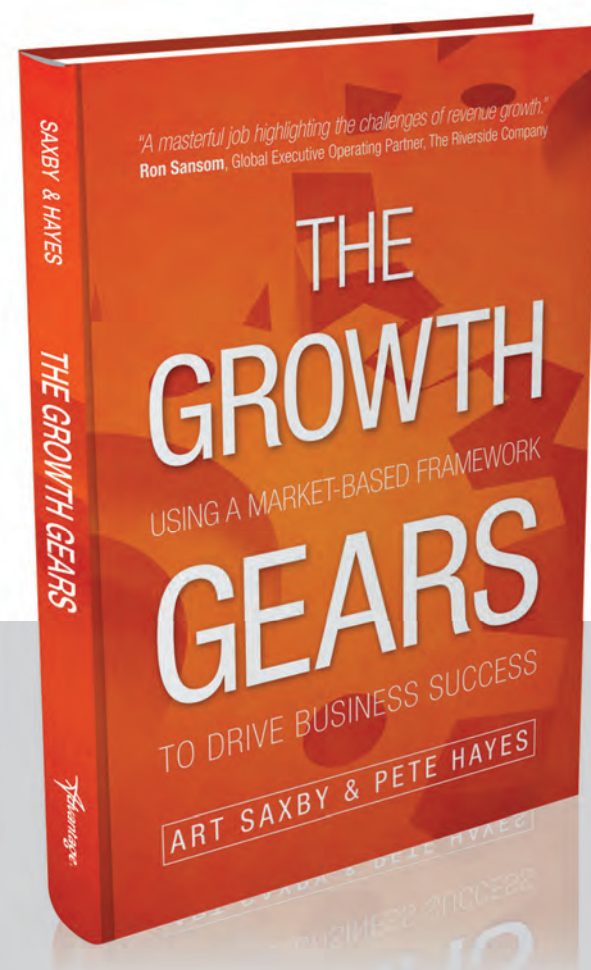
Training

Equipment

This question also moves the analysis from decisions that need to be made about strategy to decisions that need to be made about execution. Getting those right is just as important. It's said that nine out of 10 strategies fail due to poor execution. A successful outcome requires effective leaders who can make and execute critical decisions "better, faster and more consistently" than the competition, according to a Bain & Company study. "Ultimately," wrote the authors, "a company's value is just the sum of the decisions it makes and executes."

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Sam Reese, CEO, Vistage Worldwide

About the Authors

Art Saxby and Pete Hayes lead the management consulting firm, Chief Outsiders. Their battle-tested, hands-on executives bring a market-based perspective to companies seeking to accelerate growth. Chief Outsiders' 55+ “fractional CMOs” are an affordable, and quickly deployable alternative to full-time VPs of Marketing.

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VISTAGE

Dynamic Decision-Making

Every day, executives make countless decisions about myriad mundane things with little to no thought. It's the big decisions over which we lose sleep. Is it a good time to acquire a struggling competitor? Should we open another office? How much should we invest in technology? Inside each of these major decisions are hundreds of mini-decisions that need to be made along the way. A business succeeds or fails based on the decisions made by its leaders and how well these leaders translate decisions into action.

Important decisions need not be made in a vacuum. Sometimes, we need to react to events or conditions that leave us little time to consider our options, but as decisions grow in importance, we should take time to consider multiple aspects of the decision and weigh our alternatives. We should seek out the opinions of others, and then incorporate their expertise and perspectives on the topic. We can consult peers, both inside and outside our organizations, whom we respect and trust. We can listen to alternative points of view and expose ourselves to different perspectives and opinions—not only to better understand the implications of the immediate decision but also to gather valuable insights from others who have traveled a similar path.

Dynamic decision-making is part of life, but for the CEO, making decisions is their job. Where should we invest? How can we grow? Who should we hire? When should we expand? What should we develop next? It's the never-ending cascade of decisions the CEO makes every day, big and small, tactical and strategic, that guides the business forward. It's the big bets—the go-all-in decisions—that determine the future of the business and all the people who work in it and on it. It is these major decisions that ultimately define the CEO and their career.

CEOs Make Decisions

In the world of business, decision-making and execution make up the backbone of performance. It could be argued that anyone can make a decision, especially when given a finite number of options and enough information.



The real challenge is not just what to do, but how to do it and how to get others to engage and participate. The latter demands leadership. The majority of good decisions fail at the point of execution. Good decisions are meaningless if CEOs can't lead their organizations and convert decisions into actions and results. CEOs are in the business of making decisions. It is their primary purpose—their *raison d'être*. But just because they have the right to make decisions, doesn't mean their decisions are always right. Every CEO can define their tenure by a handful of key decisions that contributed to the success of their organization—or its stagnation and failure.

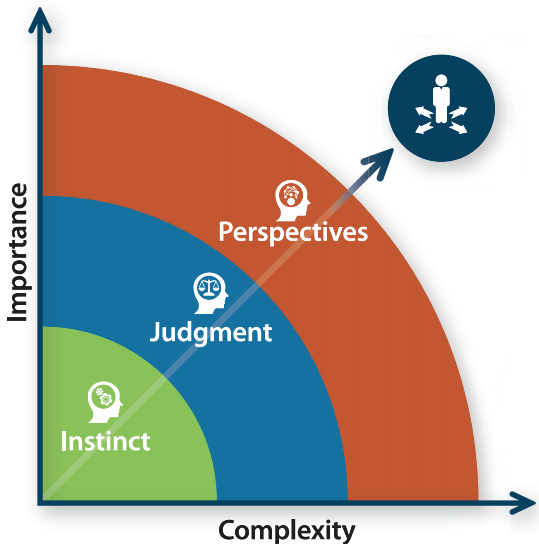
Often, how the CEO arrived at the decision is as good a predictor of their success as the decision itself. Not all decisions

require exhaustive analysis or detailed staff research. However, as decisions increase in importance, decision-making has broader, longer-term implications for the organization. Choosing the wrong vendor for office supplies can be remediated quickly and with minimal disruption, but choosing the wrong customer management system can waste valuable investment

capital, demotivate employees and be a drag on company performance for years. Simultaneously, as decisions become more important, they grow in complexity, with more factors to consider, unknowns to explore, and people to involve. Complexity adds uncertainty to any decision. Assumptions and predictions fill gaps that data and analysis can't. The unknown remains unknown as the CEO is limited to their experience and that of their team. This often forces the CEO out of their comfort zone, injecting more risk and uncertainty into the equation. Complexity challenges the limits of knowledge and tests the CEO's ability to learn and apply new ideas.

Time also plays a factor in decision-making. Some decisions, regardless of importance or complexity, need to be made immediately, and "no decision" is not an option. With the pressure on and the clock ticking, the CEO must make a choice supported by partial analysis, incomplete data and limited input. Other scenarios allow plenty of time for more thought, deeper scrutiny and a broader range of inputs. However, time can also allow analysis paralysis, data overload and undue influence from external forces to creep in. In the end, whether there is too little time or too much, the decision must be made, and the CEO is the one to make it.

Decision-making is hard. Sifting through the alternatives, weighing the trade-offs and accepting the risk are all part of the game. Moreover, the unknown and ever-changing business climate can make decision-making seem like a roll of the dice on the best of days. And yet, it is the decision-making skill that separates those CEOs and organizations who thrive in all economic conditions from those who stagnate or fail even in the best of times.



Decision Optimization

Optimized decision-making combines the CEO's instincts and judgment with external perspectives. As decisions become more important and complex, leaders rely on the alignment and integration of these three variables to arrive at an optimized answer.

Solid business instincts help CEOs make both good decisions and snap determinations when necessary. These instincts are honed through education, study and most importantly, experience as a leader and in business. They also play a significant role in the most critical and strategically important decisions. It's the gut check we do right before we sign a contract or that nagging sensation that tells us to take another look at our analysis. These business instincts can be challenging to identify, but refining them strengthens the foundation from which CEOs make decisions. As they continue to learn, gain experience and even make a few mistakes along the way, they sharpen this ability.

CEOs also apply their judgment to every decision they make. How much energy and thought is required varies based on the decision's importance and complexity. Judgment builds on the CEO's instincts by enabling them to integrate situational awareness of external factors, internal dynamics and anticipated outcomes based on an analysis of the available data. Judgment allows them to compare various alternatives, anticipat-

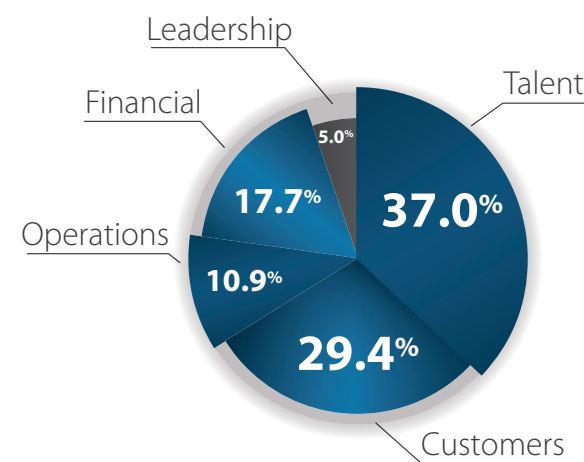
ing potential outcomes and weighing the cost, effort and benefit of each. However, when judgment conflicts with instincts, decisions stall and CEOs struggle. Like instincts, judgment improves over time as executives learn from the consequences of past decisions and make new ones.

As decisions grow in significance, CEOs should reach out to others to tap into their knowledge and experience. They can look to connect with like-minded business people who face the same opportunities or challenges, tapping into experience wherever they can find it. They can also seek out the advice and counsel of people they trust and respect. Expanding perspectives allows the CEO to augment their judgment with the experience and knowledge of experts and trusted advisors.

Balancing instincts, judgment and the perspectives gained from others allows CEOs to consistently make better decisions. High-performing CEOs make more good decisions than bad because they are always refining their instincts, improving their judgment and expanding their perspective to optimize their decision-making.



Business Optimization



The range, significance, and complexity of the business decisions CEOs face during any given day can be overwhelming. Vistage Research recently received more than 1,000 responses from Vistage members to the question, “What are the major decisions you will be making about your business in 2017?”

Our analysis of the verbatim responses identified four primary categories of business decisions and a secondary fifth category, leadership.

In order of frequency, the four primary categories were:

Talent Management

Hiring, developing and maintaining the people that do the work

Business Operations

The operational and technical infrastructure that supports the business

Customer Management

How the company engages and connects with its customers

Financials

The financial organization and the financial performance of the company

Segmenting business decisions into four clearly defined categories allows us to create and connect topics and sub-topics and develop a common language for research and discussion. This also allows us to create a taxonomy for organizing and curating research, data and expert perspectives on the issues and topics our members identify as most important. While every business is different, all businesses, regardless of size, industry or ownership, are faced with critical decisions in each category. Top priorities vary over time, but frequent analysis and review of each category will promote business optimization and the uplift in performance that follows.

Talent Management



It's been said that 90 percent of business issues walk in the door every morning. Decisions regarding people are top of mind for business leaders. It's becoming increasingly difficult to find the right people and place them in roles where they can thrive and contribute their full potential to

the organization. Managing people is more than a human resources challenge. It defines the growth trajectory of the company, as new roles throughout the organization must be staffed, trained and supported. Each growth spurt comes with the need to hire more people at every level of the company. It's one thing to want the best employees, but hiring, developing and retaining them is another.

Talent management is a broad category that includes activities like talent planning, talent review, human resource management, bench-strength analysis, staffing, compensation, benefits, employee engagement and performance management. Hiring is a key dependency for growth, as great employees with the right balance of skills, experience and salary requirements are hard to find. In a small business, the responsibility resides with its leader. As employee headcount grows, human resource professionals are needed to manage the growth and development of the organization's talent pool.

Getting Through Growing Pains

Fast growth can be tough to manage. Fortunately, **Mark Laufer** had advice from his Vistage group.

While many companies struggled during the recession in the late 2000s, Laufer Group International, Ltd. bucked the trend. CEO Mark Laufer successfully took the international logistics company his father founded in 1948 and built it into a middle-market leader in the industry. While 2009 was a year fraught with financial challenges for many business owners, Laufer had a different problem: He had built a business that was bigger than he knew how to manage.

Laufer could no longer lead the entire team on his own. He just didn't know how to go

about it without relinquishing control. Laufer says he had the sense to know “that you don't know what you don't know.” At the coaxing of a friend, he joined Vistage. Through group and one-on-one coaching sessions, Laufer learned about the outsized importance of corporate culture and the value in aligning people through corporate values and goals. He was so impressed with the program he enrolled his management team in Vistage groups across the country.

His team benefits from Vistage speakers, concepts and trainings, as well as the group dynamic. Vistage group members challenge your ideas and hold you accountable for your plans. Laufer says this helped him and his team become better decision-makers and define a core company value—a “culture of collaboration.”

Investing in his employees' professional development also improved retention.

Vistage helped Laufer create a work environment that has facilitated incredible growth, one in which team members work together to problem-solve. In fact, Laufer Group has grown by 100 percent in the past five years.

It can be hard for C-level executives to realize that they don't always have all the answers. Vistage members taught Laufer to challenge his assumptions, consider alternative viewpoints and bring his executive team into the decision-making process.

“My Chair, Mark Taylor, has been one of the most incredible influences on my personal and professional growth,” he says. “He presents business concepts and ideas in broad-minded and cutting-edge ways, both through his



Mark Laufer
CEO, Laufer Group International
Vistage Member Since 2009

selection of speakers and through his personal coaching. He has helped me, as an individual and a CEO, to push the boundaries of our business.”

Laufer adds that many of his Vistage group members have become close friends, on whom he still relies for guidance. “We are all here for one reason: to improve our business and to help our Vistage teammates improve theirs.”

Customer Management



Without customers, there is no business. Decisions about how we connect and engage prospects and maintain customer relationships are critical. The rise of the digital world has radically changed many aspects of the customer relationship. Digital marketing, social media and mobile technologies have all impacted customers and

prospects. Buyers now leverage new channels of information long before they engage their providers. This more informed customer presents new selling challenges as traditional sales methodologies must incorporate digital and social selling skills. Meanwhile, the competition uses online channels to court our existing customers every day.

Marketing, sales and customer experience must own the customer relationship from initial contact through the lifetime of the buyer/seller relationship. The role of Marketing has completely transformed in response to how the digital customer connects with, buys from, and interacts with providers. As the traditional capabilities of the salesperson have morphed to adapt to the new buying environment, sales professionals with new social skills and digital fluency are in high demand. The customer experience team views the customer experience holistically, incorporating all customer touch points for service, support and fulfillment.

Tap Your Network for Solutions

When **Sherrie Simmons** took on a challenging new role, Vistage gave her the support network she needed.

When you are an executive at a small organization, pursuing your own professional development can be challenging. So, when Sherrie Simmons joined Ultra Mobile, a fast-growing startup, she turned to Vistage for support.

Since its launch, Ultra has grown 100 percent in revenue year after year, but the customer care operation had grown just as quickly. One of Simmons's first tasks as chief operating officer was to determine whether Ultra was offering the right customer service at a reasonable price to the

organization. As she delved into her challenge, she shared her findings with her Vistage group. It served as her sounding board and helped to validate her decisions. Simmons concluded that she needed to bring customer care systems in house, rather than let their partners run them, so Ultra could own the data.

"When no one in my group had ever started or transformed a customer support function, I was referred to other members," she explains. As she evaluated SaaS solutions, she turned to Vistage members with customer care systems experience for vendor recommendations, which sped up the RFP process. She also shared proposed pricing so she could make an informed buying decision.

Simmons and her team launched Ultra's new customer

care operation in January and, in doing so, reduced costs by more than 45 percent. Ultra has also dramatically increased its net promoter score (NPS), an index that measures a customer's willingness to recommend a business to others and the percentage of customer problems that are resolved on the first call.

Simmons doesn't fear failure, which helps her make big decisions, and quickly. But making the decision is just the beginning.

Simmons's group Chair, Beth Adkisson, helped to remind her of the importance of getting buy-in from those around you. "She would gently put a mirror in front of me and remind me that not everyone thinks like me. I have to bring them along."

Simmons continues to use Vistage to inform her business decisions. Recently, she introduced AI technology



Sherrie Simmons
COO, Ultra Mobile
Vistage Member Since 2016

to her organization—but not before demonstrating the customer chat bot for her Vistage group members. They poked holes in it and inspired Simmons to make adjustments that ultimately led to a seamless deployment.

As Ultra's growth continues, so, too, does Simmons's. "I'm still on this journey," she says. "I so look forward to every meeting I have with my team members, because all of us are continually looking for ways to improve."

Business Operations

Business operations is the core of the company. It focuses on the infrastructure of the organization and the specifics of the business. For manufacturers, operations encompasses the production facility, the supply chain and its distribution channels. In construction, it includes the equipment, projects and supplies. In a professional services firm, operations involves aligning customer requirements with professional resources. Every business will use a unique set of variables to define their business operations. The business is optimized when operations performs at peak efficiency.

The technology infrastructure that provides the communications, data and applications that drive the business creates the foundation for operations. Technology has



changed every aspect of business operations, and as technologies continue to advance, businesses will continue to innovate. Upgrading systems for marketing, sales and customer experience requires a large investment of funds and an even larger investment in change management. Backend operations management, ERP and other operations technologies boost productivity for both factory and knowledge workers. Cross-functional applications for knowledge sharing, collaboration and communications can be life changing in the information age. Cybersecurity has never been more important. The pace of innovation will benefit only those organizations capable of and prepared for embracing big data, artificial intelligence and the "next big thing."

Finding Solutions Among Friends

Family businesses have unique challenges. **Richard Murphy's** Vistage group was a welcome sounding board.

Vistage was designed to provide executives with leadership training and peer support to help them succeed in their businesses. But Vistage isn't just about learning, it is also about teaching. Richard Murphy, president and CEO of Murphy Warehouse Company, a 113-year-old, fourth-generation family business, is proud to have inspired fellow Vistage members with his nationally recognized approach to sustainability.

Murphy and his business have been leaders in sustainability for more than

20 years. This commitment began with Murphy planting acres of native prairie on his logistics campuses, which help with storm water retention, as well as carbon sequestration, a process that captures and securely stores carbon dioxide. In fact, Murphy created the largest site in Minneapolis that doesn't pay storm water fees. Additionally, all of the buildings Murphy owns are LEED Gold and Energy Star certified and have solar panels.

Murphy regularly receives invitations to speak about his sustainability programs and the potential economic advantages for businesses. Over the years, he has been both a teacher and a student in his Vistage group, sharing his knowledge and learning from others. He has also formed deep friendships in the group. And those friendships proved particularly important when he tackled

what he has dubbed the "50-Year Legacy Project."

Five decades ago, Murphy's father borrowed money from his brother and used stock as collateral. Murphy's father repaid the loan, but his uncle refused to relinquish the shares. As a result, his uncle owned 50 percent of Murphy Warehouse Company—a wrong that was not made right until Murphy and his cousin devised a plan.

It took years to create and execute their creative five-step resolution. During the process, Vistage was a vital sounding board for Murphy. He shared the plan with his group and his Chair for input. He also discussed it in more intimate settings with members with whom he was close.

Last year, the family found closure. The 50-Year Legacy Project concluded with Murphy's cousin selling two operating companies to



Richard Murphy
President & CEO, Murphy Warehouse Company
Vistage Member Since 2004

Richard's side of the family, with all cash and investments on the book, for \$1—a happy and satisfying solution for all shareholders.

Murphy's advice to fellow CEOs tackling a challenge is to think differently and explore solutions outside the box. Vistage helps executives do just that—consider alternatives and challenge their own way of thinking.

Financial Management



Everything that can be counted gets counted in financial management. Recording, reporting and analysis of the revenues, expenses and profits of the business

bring transparency to all aspects of the business. Data provides a fact-based perspective to decision-making. Stronger reporting and deeper analysis of data provide CEOs with better visibility for decision-making. Financial dashboards promote organizational goals, objectives and KPIs. Access to capital, strategic growth and investments must all connect with the market and the organization's ability to execute.

Financial management comprises many different elements, including potential legal/governance issues, access to capital, acquisitions, KPIs, data and metrics. It blends managing a balance sheet with managing the board. Critical valuation calculations, succession planning, and exit strategies power the CEO's vision for the organization and drive the strategy. Forward-looking projections based on economic, regulatory and market conditions are part of every business decision the CEO makes.

Bouncing Back Better Than Ever

Pamela Jung credits Vistage for her comeback story.

Pamela Jung credits Vistage and her group Chair for saving her professional career. In the late 2000s, Workforce Solutions Group, a human resources consulting and talent solutions firm, went from \$5 million in revenue down to \$500,000. But with swift, strategic decision-making and the support of Vistage, Jung weathered the downturn and built her business back up—way up. In 2016, Workforce Solutions Group generated \$32 million in revenue.

For many companies, 2008 was a painful year. The employment industry is invariably one of the first to

feel the effects of a recession, as businesses stop or slow their hiring. Jung realized she needed to take quick action, and she turned to her Vistage group for feedback. She leased out her building and reduced headcount. She also had to manage major cash flow issues as banks called her lines of credit and credit card companies capped or froze her spending.

On top of this, Jung's business partner pulled out and refused to turn over her shares unless Jung absolved her of all financial responsibility. Effective decision-making is particularly challenging when emotion is involved. Jung's Vistage group urged her to take legal action, but she admits she dragged her feet in doing so because of the personal connection. With time, her group helped her make the tough decisions

the situation demanded, including getting her attorney involved. Vistage was, and is, her sounding board. "I could throw ideas out, and they would give me honest feedback. Most importantly, they pushed me to make decisions I wasn't comfortable with," she explains.

Jung persevered. She reevaluated her strategy and decided to focus on health-care. Bit by bit, year by year, she grew her business—into something bigger and better than it was before.

Jung is particularly grateful to her Chair, Dwight Frindt, for refusing to let her give up. "He believed in me even when we were in our darkest of times, when every time I got a penny in, I had to pay someone with that penny," says Jung.

Being a CEO can be lonely. You can only share so much with those around



Pamela Jung
CEO Founder,
Workforce Solutions Group
Vistage Member Since 2007

you, or you risk losing their confidence, notes Jung. You need an inner circle of peers who aren't connected to your business, but who relate to your challenges. For Jung, that circle is her Vistage group, and together, they navigated an incredible business turnaround.

Leadership is the Art of Execution



Bringing business decisions to life demands leadership. Every day, CEOs make stylistic and substantial decisions about how they choose to lead. There are countless books on models and definitions of leadership, but at its core, conscious leadership is deciding how to lead. Leadership is the art of execution. Execution is the fundamental leadership discipline for how the leader translates their vision into a strategy for managing talent, connecting with customers, optimizing operations and managing the financials that calibrate the business. It's how the leader prioritizes and aligns those strategies into a culture prepared and willing to deliver. Conscious leadership is driven by the four disciplines of leadership:

Vision

The leader's vision becomes a series of decisions that will take the company forward. It blends an overall assessment of the market, competition and economy with the leader's beliefs about the opportunities and growth levers for the company. The organizational vision connects long-term objectives with real-time strategies. **Vision identifies the path forward.**

Strategy

When creating strategies for managing talent, connecting with customers, optimizing operations and improving financials, CEOs are guided by their vision for growth, strategic decisions and tactical plans for business optimization. By identifying the growth levers within each component and building a plan to leverage each, the organization is prepared to execute. **Strategy codifies the vision.**

Alignment

Collaboration and synchronization of multiple strategies and moving organizational parts demand tight alignment. Decisions regarding priorities, determining objectives and assigning accountability align the growth levers and initiatives, bringing precision to the company. Achieving and maintaining alignment generates productivity and encourages collaboration. **Alignment calibrates the organization.**

Culture

Behaviors and attitudes toward and about the company and its leaders, as well as the interpersonal energy of the work environment, are success contributors as well as limiters. Company culture defines how people engage in, work on and think about their roles and the organization. Culture will either happen naturally or be shaped by conscious leadership decisions regarding mission, vision and purpose with clear brand attributes and a communication cadence that keeps everyone connected. **Culture amplifies the belief system.**

Activation and alignment among the four disciplines of leadership translates into:

Execution

The company knows where it wants to go, has identified a clear path for how it will get there, understands who will do what and has developed an organizational attitude as a result of conscious leadership. It's making calculated decisions about how to lead and continuing to develop the disciplines of leadership that positions the company to deliver on its vision. Leadership also involves the whole person, including their attributes and leadership competencies. Attributes include elements such as integrity, honesty and authenticity. Competencies are skills such as communication, delegation or the ability to work with investors and boards of directors. Every CEO is also a unique individual, bringing different beliefs, values and styles to their role. The wellness of the leader can't be ignored either, as it is difficult to make great decisions when financial, physical or family issues obstruct clear thinking. Managing and maintaining wellness is a requirement for top performance.



HOW
DO YOU

look ahead

WHEN YOU'VE
BARELY HAD
A CHANCE
TO LOOK UP?

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WE INVITE YOU TO CONNECT WITH US

Karen Reynolds Sharkey

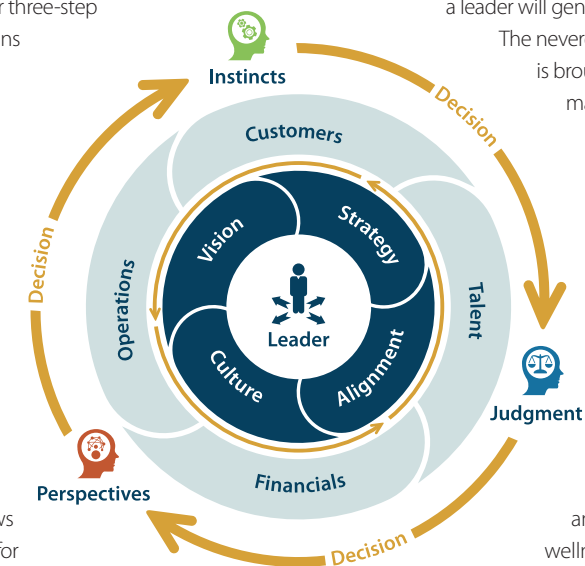
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Vistage Decision Model

The Vistage Decision Model connects our three-step decision dynamic with the critical decisions leaders make about the issues and opportunities of business optimization, their conscious approach to leadership, and the personal elements that comprise every decision. Making better decisions, supported by outstanding leadership that is driven by a solid core of leadership beliefs and competencies, creates the model for sustained growth and success. Every day, CEOs are faced with strategic and tactical decisions about their people, customers, operations and the financial health of the business. Our research shows the issues and considerations are similar for businesses of all sizes, but the individual nuances and context are unique to every business, forcing the leader to make difficult decisions to get to world-class results.

The model then incorporates the decisions leaders make about how they will lead. The notion of conscious leadership suggests leaders need to intentionally think about and decide how they will lead the organization. Like any discipline, there are core leadership components that are continuously being developed. Natural leaders may intuitively excel at one element or another, but world-class leaders recognize the importance of each element and how their continual improvement as



a leader will generate increasingly better performance. The neverending evolution of the leader's vision is brought to life by the strategic decision-making process synchronized and aligned across a culture that is capable and eager to execute.

At the core is the leader, the human engine that makes the decisions and drives performance. Leadership is a combination of attributes, behaviors and competencies wrapped around the individual. The best leaders are fully aware of their strengths and weaknesses as a leader and actively look to improve on their weaknesses and leverage their strengths. Personal wellness is the foundation for world-class leadership. Often ignored, financial, physical, mental and emotional wellbeing are essential for top performance and great decision-making.

The Vistage Decision Model provides a lens to observe and study leaders and the decisions they face. It provides us with a common language for discussing the issues and topics of business optimization, the disciplines of leadership and the attributes and behaviors of leaders. Our decision model connects decision-making and the role of the CEO with the business, leadership and personal decisions each leader makes in the course of growing their business and achieving their goals.

In Search of World Class

The Vistage Decision Model provides us with a framework to study, research and learn from world-class small and midsize CEOs, executives and business leaders.

It creates a foundation to identify, codify and amplify what world-class leadership looks like from their perspective. World-class performance follows as a result of leaders making good decisions about themselves as leaders, the disciplines of leadership they use to execute, and the facets of business optimization they

focus on. Top performance is neither a function of luck nor individual greatness. It is always a function of good people making and executing good decisions. Becoming a world-class organization is a conscious decision. It doesn't happen naturally or easily. It's a commitment to continuous improvement: improvements in business

results, improvements in the leader's ability to execute and improvements leaders must make to continue their personal journey to world class. The bar for world class is constantly rising. Yesterday's achievements are quickly forgotten as new goals, obstacles and opportunities demand new decisions. As hard as it is to become world

class, it's harder to maintain that status, as every day the market changes, competitors rise to the challenge and our own companies evolve. Being world class is a choice. Being world class is hard. World-class organizations learn how to make the right decisions at the right time. Will your company be world class? **Only you can decide.**

Speaking of Success Stories

One renowned speaker found early audiences and ongoing insight through her Vistage group.



Living with her husband on a mountaintop in Evergreen, Colorado, at 8,200 feet, amid elk, bears and mountain lions, research psychologist **Eve Grodnitzky** has the perfect vantage point to ponder her life's work: helping people get "unstuck" and accelerating their path to "blinding moments of clarity."

A frequent speaker at the leadership training and executive coaching group Vistage, Grodnitzky was named its 2016 Speaker of the Year. She has achieved rave reviews from Vistage

members for her presentations on how to get to "aha" moments. In her talks, she shows them how to apply the findings of Carol Dweck, a Stanford University psychologist and author of *Mindset: The New Psychology of Success*.

Dweck has concluded that people are more successful when they have a "growth mindset," where they believe that their most basic abilities can be developed through dedication and hard work, as opposed to a "fixed mindset," in which they think that talent and intelligence are static, and talent alone begets success.

"One of the greatest gifts we can give another human being is the opportunity to live the rest of their life with a growth mindset rather than a fixed mindset," Grodnitzky says.

After obtaining her Ph.D. in social psychology at the University of Michigan, Grodnitzky spent more than a decade working for several leading research and consulting firms, focusing on issues such as leadership development, performance management, employee engagement and the attraction and retention of high-potential employees. While working at CEB (now part of Gartner), an organization for innovative senior executives, she addressed large organizations, from Dell Computer to the Department of Homeland Security. In 2009, she became an independent speaker. Her husband, whom she was dating at

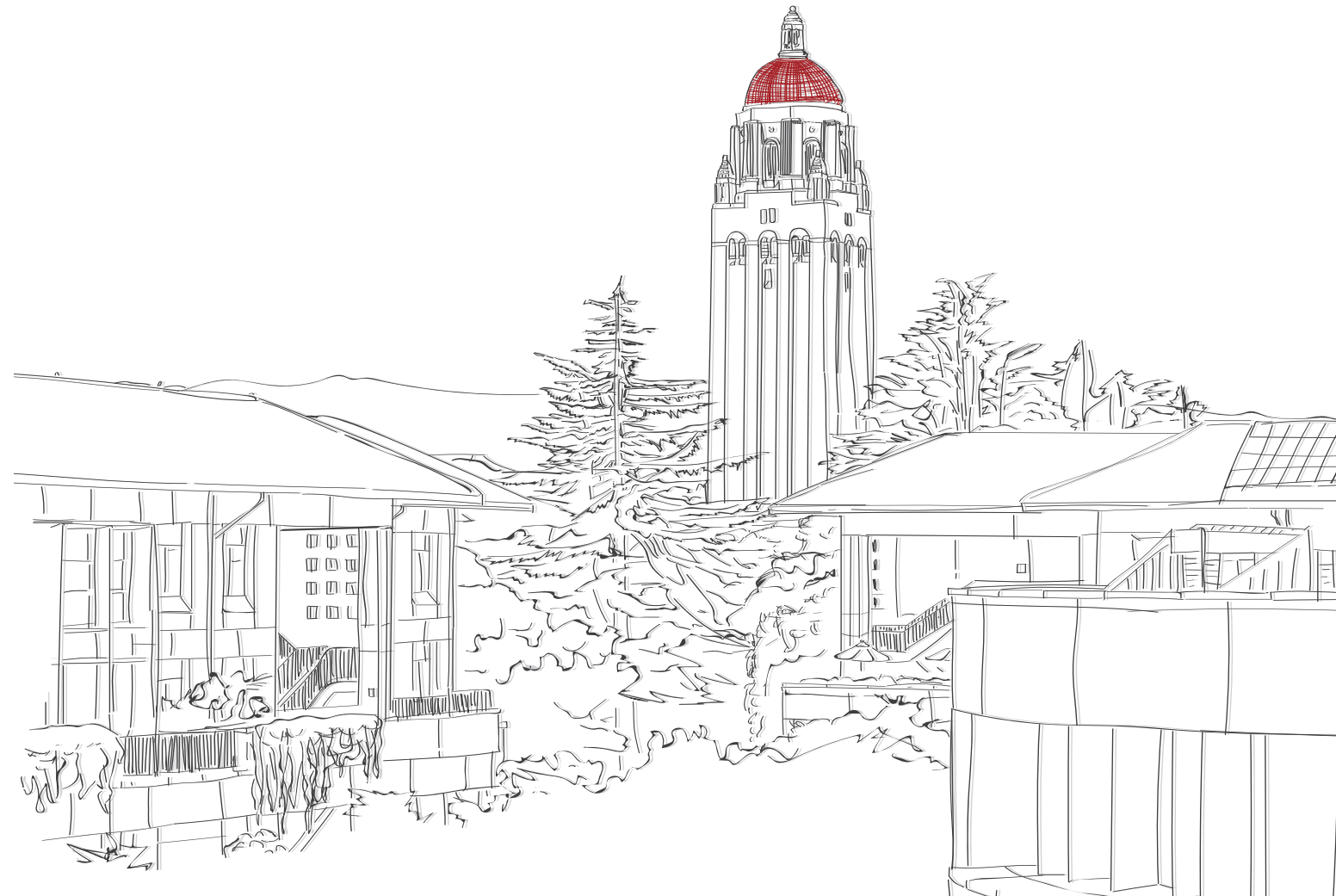
the time, recommended that she speak at Vistage because he was enjoying doing so himself. "He had glowing reviews of the organization, the Chairs and the members," she recalls.

Grodnitzky applied and soon began addressing Vistage groups on the topics of leadership and engagement. Whenever she discussed Dweck's teachings about how to get unstuck and why we become stuck in the first place, she found "no one wanted to talk about anything else." Realizing she had struck a chord, she soon shifted her focus to that topic—and found it was very personally rewarding.

"I have no idea who in that room needs that message that day, but someone does," says Grodnitzky. "Sometimes there's an organizational issue they're working on. Often, it's a personal issue. I can't tell you how many times someone has come up to me and said, 'I have two kids—fixed mindset and growth mindset—what do I do about the fixed mindset one?'" She helps them see how the culture of the environment they have created and factors such as unwritten rules help foster one mindset or the other.

In 2014, Grodnitzky put her ideas in a book, *CLICK: The Art + Science of Getting from Impasse to Insight*. To help leaders enhance their workplace culture, she is now developing a mindset assessment tool. She has also partnered with Vistage sponsor organization TalenTrust, helping the executive search firm's founder and CEO Kathleen Quinn Votaw "mindset-ize" its recruitment process. "There are so many different organizations and industries in Vistage," says Grodnitzky. "You never know where interesting partnership opportunities might arise."

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Cleaning Up and Helping Others

How one fast-growth cleaning company found community and purpose with the help of Vistage.



When AdvantaClean Systems helped a family tackle water damage in their home, the franchisee soon discovered a more serious mold problem. Unfortunately, the family's insurance wouldn't cover the cleanup. The unhealthy conditions meant the parents couldn't bring their young daughter, who had terminal cancer, back home for hospice care. The franchisee stepped up and donated its services so she could spend her final days with her family.

CEO and Founder
Jeff Dudan and the
AdvantaClean team,

headquartered in Huntersville, North Carolina, were deeply moved by this experience in 2008. The franchisee soon began reaching out to local cancer institutions, such as St. Jude Children's Research Hospital, offering to help families in any way they could. "It's our job as leaders to take action on things that are going to make a difference," says Dudan. AdvantaClean has since raised money for St. Jude's and Hemby Children's Hospital, a partner in Charlotte, North Carolina, with the Braylon Beam Celebrity Golf Classic and other fundraisers. In 2016, AdvantaClean entered into a strategic partnership with St. Jude. The goal is to help the world understand, treat and defeat childhood cancer and other life-threatening diseases.

The company's commitment to the community has had an unexpected side benefit. It has become a key differentiator for the 23-year-old business, which specializes in resolving the issues that take place in people's homes when moisture gets into places where it doesn't belong. "It's become a positive rallying point," Dudan says. "It really helps us attract the right people to join our brand. Our services are not sexy. We're doing work in people's homes and businesses that they would rather not do themselves."

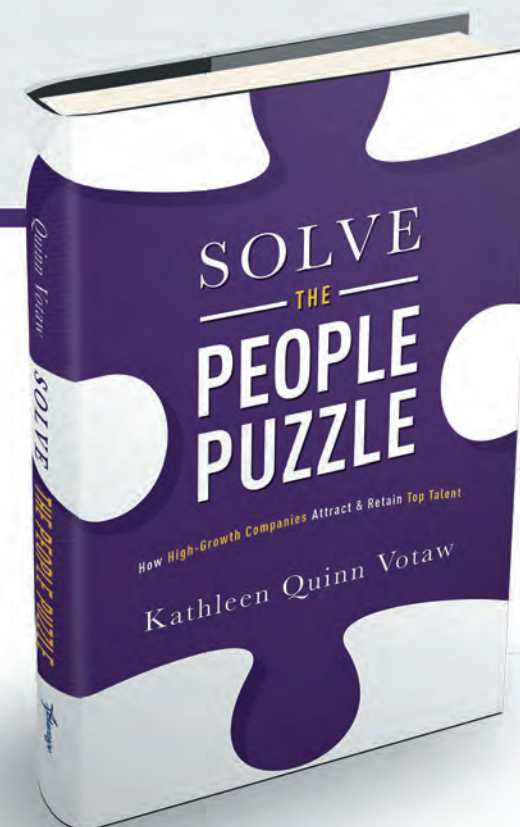
Belonging to Vistage has helped Dudan build a fast-growing company around a culture that cares. He

joined the leadership training and executive coaching organization in 2011, when AdvantaClean was about two years into franchising.

At the time, Dudan was, like many, an overextended business owner, tackling almost every key area of the company—sales, operations, finance and training—on his own. Both his group's Chair, veteran business executive Dave Zerfoss, and his fellow members proved to be valuable guides. Tapping their insights, he built a strong team of executives who now run the brand according to the company's number one value: community.

"Vistage has been a tremendous influence on me in the way I have built the organization, in the people I have hired, in how we have really been able to identify and clarify our values and operate our business according to those values," Dudan says. "Any time I wasn't sure about a priority or initiative, I was able to take it to my Vistage group or monthly coaching sessions with Dave."

AdvantaClean's growth has accelerated rapidly along the way. Today, it has 40 company employees and 100 groups of owners with franchises in 230 territories spanning 34 states. Running such a complex operation might seem daunting, but Dudan is confident, thanks to his membership in Vistage. "If you get stuck, you've got somewhere to go where people are going to give their best effort to help you out," he says.



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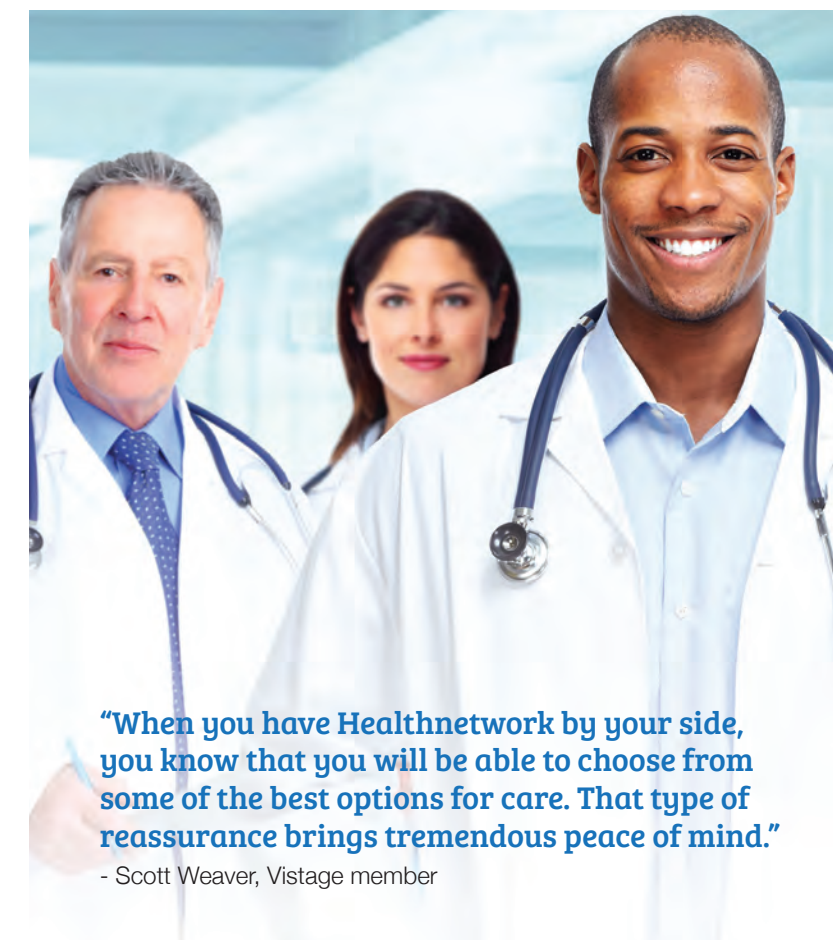
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- Scott Weaver, Vistage member

Do you want it done or Do you want it done **RIGHT**?

The Best in Outsourced Bookkeeping and Controller Services

6 Steps to Choosing the Right Accounting Services, *by Dennis Najjar, CPA, CGMA, Vistage Speaker & Member*

When making the decision for what type of team or service provider should handle the company accounting services, the CEO or owner needs to keep an eye on many factors—some of which may not always be in agreement. To ensure an efficient, effective and profitable future, everything from service quality and experience to cost and scalability need to be considered. Assessing and choosing the right option requires checking a lot of boxes—but this guide should help keep you track to a successful decision.

1. Appoint An Internal Review Team

The people within the company need to be brought on board. Start by opening a discussion on how your company is currently handling the accounting and where improvements are necessary. Try to keep personal opinions, finger pointing and accusations out of it to ensure that everyone is given a fair chance to contribute positive support. You may have a weak link or two in your current system that won't make it to the final stage but this is not the place to addressing those changes. Instead focus on highlighting the "wish list" for the new system and services. You may find that many things cannot be handled by an internal team thus helping narrow your selections to external or outsourced accounting services.

2. Research Different Accounting Services Options

Now that you have a team in place, create a short list of the "types" of services that will serve your needs. For some, this may be bringing in an outside consultant or CFO. For others, it may mean outsourcing the entire accounting department. Your team should have a good idea of its gaps and requirements.

3. Define Expectations and Deliverables

You'll want to define a vision of your future through questions, such as what does your business need to complete their accounting tasks effectively, and how will an accounting services provider help you? Set a time frame for launching and managing a new accounting system. If new software needs to be purchased, set an implementation time frame. Professional accounting services should be able to help you envision your future even before you select one. The best will be able to help steward your vision for the future because they know better than anyone what is an ideal setup and what is a realistic corresponding timeframe.

4. Put It In The Budget

The cost of a new accounting service provider will need to be fit into your company's budget. Be sure to obtain detailed quotes from service providers, so you understand the variety of different services they offer. Remember that there is more to a given fee than just the amount. What you receive in exchange for a monthly fee, the caliber of the professionals performing the work, and the reliability and continuity of the team should all factor in to gauging pricing and affordability. If you need to purchase new software or accounting integrations, be sure you can justify the higher costs. If the investment is reasonable and in line with your budget, then the team can move forward in evaluating potential accounting service providers.

5. Gather Accounting Services Options

Here you'll start to evaluate options for new accounting services and begin the next steps in creating a list of potential providers. Ask for referrals from companies and peers in your industry. Vendors and resellers can also provide advice on how to narrow down the selection process to find the best provider for your company's needs.

6. Reviewing Accounting Services

Prospective service providers should be able to provide you with a clear picture of expectations and deliverables. Ask for demos so you can see how they work, sample financial reports and examples of current or previous client case studies. They should also be able to provide you with testimonials and references from current clients. If you have very specific needs due to a niche industry or regulatory requirements, ask for specific references from clients in those industries to ensure they know how to manage your unique needs.

Finally, make sure to introduce the members of your team that will be guiding, interacting with and managing your new accounting services provider. You want to make sure that everyone can play well together—with open lines of communication, ease of access and no egos or attitudes to hamper productivity.