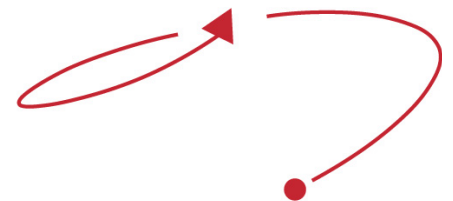


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# The Profit Spiral

*A Practical Guide For Leaders Committed To  
Growing Their Organizations*

By  
*Katherine Catlin and Bruce E. Rodgers*



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*Mastering the Art of Corporate Growth*

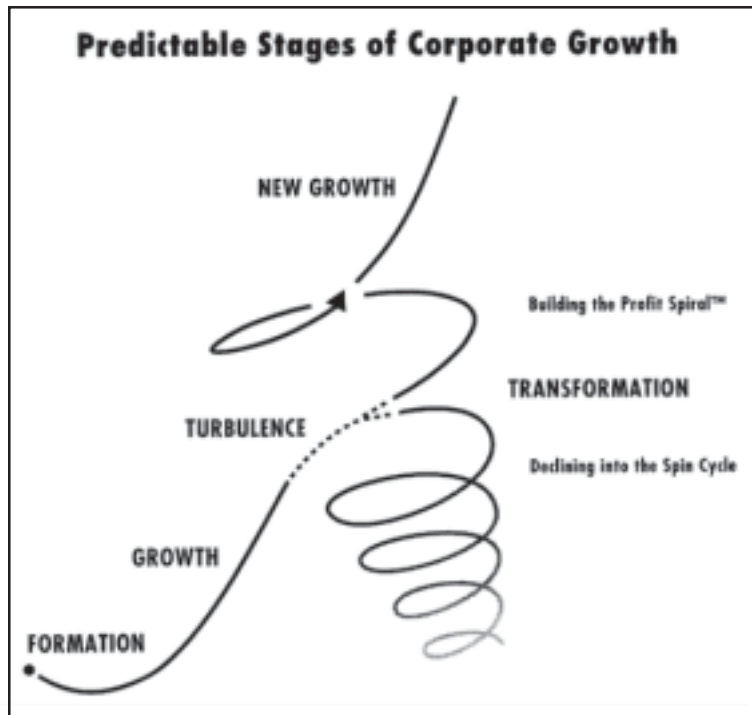
# THE PROFIT SPIRAL™

## A Practical Guide for Leaders Committed to Growing Their Organizations

By Katherine Catlin and Bruce E. Rodgers

*Extraordinary organizations are easily distinguished from ordinary ones.  
They are innovative, visionary, and committed to growth.  
Their people work at peak levels, inspired by a shared purpose,  
with an overwhelming sense of unity and pride.  
Their leaders actively develop the organization's infinite potential.  
Everyone continually searches for new ways to stretch  
to unprecedented levels of performance.*

*In extraordinary organizations, productivity spirals. Commitment spirals.  
Motivation spirals. Profit spirals. And growth spirals.*



### MASTERING THE ART OF CORPORATE GROWTH

Companies, like all living systems, grow in a series of cycles, with three predictable stages in each cycle. The first stage is **Formation**, when all the energy in the organization goes into inventing a new pattern or system. This stage is informal, experimental, and often chaotic, until common goals are set and stimulate growth in a focused direction.

The second stage is **Growth**, which occurs once the pattern is formed. The energy at this stage is expended in protecting, extending, and fine-tuning that pattern. This stage is characterized by efficient performance and rapid growth.

Finally, **Turbulence** is experienced and **Transformation** becomes necessary. The system no longer “works” as well according to the original pattern. The organization has grown internally with new people and new products, while external conditions are also demanding change with increased competition and customer demands. Conflicts and differences emerge. Communication slips through cracks. Corporate direction and goals become fuzzy. Departments go in different directions. Customer focus gets lost. People start trying to change but, without coordinated effort, no one person or group can transform the entire system. These are all signals that it is time to evaluate the organization, challenge all assumptions, develop a new vision of the future, “un-form” the old pattern, and “re-form” it by creating a new pattern that will move toward the vision.

These critical activities required in the **Transformation** stage demand effective leadership, cohesive teamwork, customer focus, and creative planning, since it is essentially time to “re-invent” the company and enable it to stretch to its next level of growth. If the organization doesn’t transform and grow to that next level, it will get stuck in the **Spin Cycle**, causing costly delays, confusion, and eventual decline.

**Company leaders must take responsibility for making the choice to constantly promote organizational growth and the changes it requires.** Organizations move through these cycles repeatedly. Leaders must recognize the stages in each cycle, accept the challenge of change, and choose to direct their organizations toward perpetual transformation and growth. They can use **The Profit Spiral™** to point the way.

The Profit Spiral™ is a systematic framework for helping your organization move smoothly and productively through times of transition, turbulence, and change. You and your leadership team must work together to design and develop the components of the Spiral, so each one provides the foundation for the next one, and all are perfectly aligned. You must then involve the rest of your organization by establishing teams, systems, processes, and learning opportunities that empower people to successfully implement the strategies to move toward the vision. This work must all be done in a cultural environment most conducive to high performance, innovation, and growth. It is the culture that keeps the Profit Spiral going upwards, rather than spinning downwards like a whirlpool, in times of change.

We hope you find this article useful as a guide to maximizing your company's full potential.

## The Profit Spiral™



Have you ever led an organization where you and your colleagues were truly inspired with purpose, where you couldn't wait to get to work in the morning? Has your organization ever faced a huge challenge or crisis when everyone pulled together with an extraordinary sense of commitment? If so, you know there is no experience like it. It's an overwhelming feeling of unity and pride — pride in your own work and pride in your company. Faced with the proper challenge, success seems inevitable. You know you're working at peak levels. Productivity spirals. Commitment spirals. Motivation spirals. Profit spirals.

Our question is, why do you need a crisis to get this level of performance? If it's only this good at the peaks, how can you raise the levels of your "valleys" to improve the overall, long-term performance of your group? The more effectively your organization performs on the average, the stronger competitor you will be in your industry. The key is the way you present your organization with a challenge worthy of your employees' personal and professional commitment. The secret is how you go about **growing your organization**.

Organizations grow best in spirals; continuous, equal-sized, well-aligned loops reaching toward a common goal. Spiraling growth is controlled, sustainable, healthy growth, not a straight-line dash which quickly depletes resources. Healthy businesses grow in spirals, looping four critical business elements: Mission, Vision, Structure and Strategy, around a fifth element, the supporting core which is the Culture. We call this the Profit Spiral.

### **FIVE KEY ELEMENTS**

We define the five loops of the Profit Spiral as:

- Mission:** A compelling sense of purpose.
- Vision:** A picture of the ideal future.
- Strategies:** Action steps to achieve the vision.
- Structure:** Clearly defined roles and responsibilities.
- Culture:** The environment empowering people to perform at their best.

The Culture, flowing through all the elements, consists of effective communication, collaboration, creativity, constructive leadership, continuous learning, and change management. Without these in the environment, nothing works. The spiral collapses and the organization runs in circles, never achieving its potential.

Five seemingly simple questions capture the spirit of the Profit Spiral. As a leader, they should never be very far out of your mind.

- Why are we here? (Mission)
- Where are we going? (Vision)
- How are we getting there? (Strategies)
- Who's doing what? (Structure)
- Under what conditions are we doing all of this? (Culture)

Let's look more closely at each element, describing its importance, proposing techniques for answering its related question, and explaining the role each one plays in your organization's growth.

### **MISSION** *Why are we here?*

Mission is the organization's statement of a clear, strong, and compelling purpose; its "reason for being". Assuming the necessary level of profitability to sustain business, the statement describes why the organization exists, its principles and values, and its contribution to the quality of life.

The Mission Statement is like the U.S. Constitution, that fundamentally grand but simple statement of principles upon which our entire American society rests. The Mission acts as a powerful focal point, guiding all planning and decision making. It sets high expectations and empowers people to hold themselves accountable for their actions. Embodying the deepest values of everyone in the organization, it inspires people to perform at their best.

#### **Developing the Mission Statement**

Your Mission Statement lies in the answers to the following questions:

- Who are we?
- What business are we really in?
- Whom do we serve? And why?
- How do we create opportunities which make a difference for our customers? Our employees?
- What are our best strengths, talents, skills?
- What do we do that's unique and distinguishes us from others?
- What are we most proud of?
- What is our hallmark?

Ideally, everyone in the organization participates in the creation of the Mission Statement. If you want employees to live by it, to be loyal to it, they should help develop it. To write a Mission Statement with your organization, take the following six steps:

1. Hold a series of small group sessions, starting with senior staff, asking everyone to brainstorm answers to the above questions. List all responses.
2. Have the group members prioritize the responses most meaningful to them.
3. Identify common threads and general principles in the responses.
4. Using the threads and general principles, draft a Mission Statement.
5. Return the draft to the groups for feedback.
6. Incorporate the feedback into a final draft.

When you achieve consensus, and everyone identifies with and commits to the statement, display it everywhere — on desks, a wall poster, in your brochure, in orientation and training manuals, on performance review forms, and anywhere else you can think of. Talk about it and what it means to you constantly. Use it as the focus for planning sessions, information exchange meetings, award ceremonies, and performance evaluations. Be proud of it! Use it to guide your actions and those of others. And live it every day.

The Mission Statement is the critical first loop in the spiral because it's the company's foundation. Binding the organization to the earth like the roots of the tree, it allows the organization to grow without danger of toppling. Companies without Mission Statements make meandering policy and unguided decisions. They wander off-course because the big picture has never been fully and clearly articulated. To some companies the Mission Statement seems unnecessary, or a frill, but those companies are trees with shallow roots. They stand and grow as long as the weather holds, but in a storm they're the first to fall.

## VISION *Where are we going?*

Once the mission is established, the next spiral loop is the Vision — a detailed word-picture of the organization's ideal future. The Vision is an actual visualization of the future, something you can *see* in your mind's eye. Perhaps one of the best examples of a simple, clearly articulated vision was presented in John Kennedy's now-famous speech in the early '60s when he painted the picture of an American astronaut walking on the moon by the end of the decade.

The vision was clear and specific (“by the end of the decade”), and it was very imagable. It was easy for us all to “see” in our minds an American walking up there — an American, not a Soviet. The vision set the direction, showed us our ideal future, and the rest, as they say, is history.

### **Developing the Vision**

How do you develop your Vision? It can be created in the same meetings you use to develop the mission, using the same six-step process. Like the Mission Statement, the best future is the one incorporating the dreams of as many people in the organization as possible. The commitment of your people to their company's future is essential to making that future real. If it's impractical to use the entire organization, then at the very least, it should be the shared product of the senior management team.

A helpful technique for this process is to declare your company the Fortune Magazine Company of the Year for some year in your ideal future. Then “write the article” about yourself, and what you did to deserve the honor. Remember that detail is the most important characteristic of the Vision, for the more detailed and specific you can get, the better you will recognize the best route to take you there.

The following questions will help with this process:

- What does the article say that your organization has accomplished?  
Why is it Company of the Year?
- What products and/or services are you delivering?
- What is the company's size? Sales volume?
- What are the characteristics of the company's environment (both external and internal)?
- Where does the company fit in the market place?
- What is its market share?
- How is the competition responding to your company?
- How profitable is the company?
- How are customers responding to the quality you are providing?
- What image does your company have in the public? With its customers?  
With its competition? With you? With your employees?
- What is going on inside your company?  
How is it organized?  
What values are you emphasizing?  
What is in place to allow your employees to actively contribute to the company's success?  
What skills and talents have been developed?
- What do you feel most satisfied about? Proud of?

Like the Mission Statement, once you have developed the Vision, share it throughout the organization. Announce the destination and gather people's ideas and energies to take you there. Talk about the Vision positively and frequently, as “our” Vision, not just “yours”. And, to make the message most powerful and meaningful, distribute images or symbols of it so everyone can “see” the picture of their success.

### **Why Vision?**

The Vision provides focus, and a guide for leadership. It extends the Mission into the future, and it inspires and challenges the whole organization to be pulled into that future with a clearly imaginable scenario of success. Everyone can see their role in achieving the success, and understands that they have an opportunity to contribute, to grow, to be rewarded, and to feel proud. Finally, the Vision helps coordinate and control the company's results. Goals and objectives make sense to everyone. Since everyone understands the company's purpose in the Mission, and destination in the Vision, decision making and problem solving are more easily pushed down into the organization.

## **STRATEGIES**

### *How are we getting there?*

Developing Strategy is a common business activity, but it's too rarely done within the context of a clearly defined Mission and Vision. Properly developed, a well-considered Strategy provides specific steps for implementing the Mission and Vision. Strategy links the dream to reality. It articulates plans for each area of the company, with full consideration of three crucial factors:

1. Serving customer needs.
2. Distinguishing yourself from the competition.
3. Effectively managing internal strengths and weaknesses.

Constructing the Strategy is an opportunity for your team to work together at seeing the situation from multiple points of view, developing new insights into your business and markets, choosing the best of a variety of alternatives, and then ensuring that operational plans are implemented and evaluated. When properly done, Strategy development is a creative process, not simply the product of analysis.

### **Developing The Strategy**

As they relate to your vision, consider the following questions with your senior management team:

#### Customer Questions

- In our ideal future, how do customer needs change?
- In what ways do the customers themselves change?
- What are the characteristics of their businesses?
- What are their required cost/benefit ratios?
- What other impact will our visualized future have on those who buy our products?
- How does our Vision affect our capacity to make products or supply services?
- How might it affect quality?
- In what ways can we solicit feedback from our customers?
- How can we be extraordinarily responsive to customers' needs?

#### Competitor Questions

- Upon achieving our ideal future, how will it affect our competition?
- How will they respond?
- Will we find new competition? And if so, who might they be and what will they do to compete with us?
- How would that change affect our business and our future decisions?
- How can we position ourselves with the best competitive edge?

#### Strength/Weakness Questions

- Looking at each functional department, what are our strengths? What are our weaknesses?
- How can we capitalize on our strengths?
- How can we manage or overcome our weaknesses?

### **The Importance of Strategy**

Strategy provides the practical plan, the map and itinerary for the trip into the future. But it's important to understand that Strategies are flexible. In a changing environment, it's difficult to execute any plan as originally conceived. That doesn't mean we don't need plans. We need the guidance they offer, even if they need to be revised. Without them, we'd risk a rather ad hoc form of business which may take us where we want to go, but probably not by the most efficient route. Leaders who know their direction and set their course, but who are highly skilled in making mid-course corrections, will reach their destination most profitably.

## **STRUCTURE**

### *Who's doing what?*

In efficiently performing organizations, everyone understands how their work contributes to and aligns with the Strategy, the Vision, and the Mission. Goals and expectations are clear not only to the individuals themselves, but to everyone else involved. Structure establishes this order in the form of roles, responsibilities, and accountabilities.

### **Creating/Reviewing Structure**

Unless you are starting your own company, your organization already has a structure. If you have just defined a new Mission, Vision, and Strategy, then it's vital that you re-examine your current structure and make sure it still supports your new decisions.

Use the following questions to help you with the re-evaluation:

- Who reports to whom?
- How do you ensure that information gets to the right people at the right time?
- How are decisions made?
  - Who makes what decisions?
  - Who needs to be informed about decisions?
  - Who needs to support those decisions?
  - Who has the power to veto those decisions?
  - And how?
- What are the groundrules for operating within the company?
- How are people held accountable for what they do?
- How is feedback given to support performance development?
- What is the system for rewarding and recognizing people for exceptional performance?

Structure defines the pattern of interactions which best support each individual in the organization, letting them know where they fit with others around them, and establishing systems for working with those people. It defines the network of “internal customers” and makes universally clear how and when to involve others to get information, make decisions, solve problems, and evaluate performance.

### **The Importance of Structure**

People need the security of knowing what’s expected of them, and knowing what to expect from others. They need to understand how their work contributes to the whole and how it inter-relates with others’ work. Structure provides the incentive system to encourage the exceptional and discourage the unacceptable. People simply work better when this information is well understood. When they don’t know, they spend time wondering about it. Structure provides an order for responsibilities, feedback, and accountabilities, and keeps things from falling through cracks. It gives your people the confidence and power to do their best job.

## **CULTURE**

### ***Under what conditions are we operating?***

Culture is the supportive environment which gives the Mission, the Vision, the Strategies, and the Structure their impact. As defined by Webster, “environment” is: *“The aggregate of social and cultural conditions which influence the growth and life of individuals and communities, ultimately determining their form and survival.”*

The cultural environment empowers people on a daily basis to achieve maximum potential. Without a fertile Culture for growing an organization, the first four loops will never gain full strength, planning will not materialize as expected, and the spiral will collapse.

Six critical factors, The Six “Cs”, mix together to form your organization’s Culture:

### **The Six Cs**

1. Communication
2. Collaboration
3. Creativity
4. Continuous learning
5. Constructive leadership
6. Change management.

### **1.) Communication**

***Question: How open, free-flowing, and well-understood is the communication in your company?***

Excellent communications are vital for two reasons: people need access to information for their work; and they need the opportunity to present feedback, concerns, and ideas to those they work with.

Organizations restricting access to information (other than confidential personnel records) make the information a commodity for building power and manipulating others. And when organizations discourage feedback and new ideas (often inadvertently), they create a repressive dictatorial, environment. Neither of these two situations reflect the healthy, free-flowing atmosphere of the best-run organizations.

Information needs to be passed efficiently — it must be communicated in a way the recipient is most likely to understand it.



Since people have definite preferences for the way they send and receive information, it takes effort and understanding to assure the message sent is understood exactly the way it was intended. Sender and receiver share the responsibility for clear communication.

Receiving information is even more important than sending it. The organization needs to listen. Really listen. Full communication strives to understand not only the meaning of the words, but the intentions and the spirit behind them. Encourage your group to listen to each other, to hear new ideas, and to listen for feedback about themselves, their jobs, and their performance. You too must listen to understand how you are being perceived. Listen to *learn*, not to conclude.

In the best organizations, the only communication is two-way communication. In the halls or in meetings, discussions involve giving *and* receiving ideas. All written communications, including newsletters, memos, orientation material, policy manuals, and handbooks should invite a response. Never pass up an opportunity to get feedback. Never pass up a chance to get a good idea.

## **2.) Collaboration**

***Question: To what degree are teams working together synergistically in your organization to accomplish tasks, solve problems, and move the company toward its Vision?***

Effective collaboration is the by-product of excellent communications. When information flows, people talk, ideas develop, and team-work flourishes.

Since diversity brings a variety of points of view, skills, experiences, and ideas, the teams with the best potential for exceptional work are composed of people with diverse personalities, skills and abilities. But their capacity to work together productively depends on their willingness to recognize, respect, and *use* each other's best skills. They must communicate well and hold each other accountable for full participation in the team.

Team leaders must be creative in managing this diversity. Teams diverse in thinking styles and skills are fertile ground for communications and personality problems. The leader can overcome these potential pitfalls by facilitating agreement on:

1. The team's Mission (fitting with the corporate Mission).
2. Each member's role and responsibility.
3. Operating guidelines for meetings, agendas, information exchange, feedback, problem solving, decision making, and communicating with others outside the team.

Teamwork starts at the top. You, as the organizational leader, must be a team builder and a team player. Use your senior management team to model the kinds of behavior you expect of all teams. Communicate how you want them to work by *showing* them. When teamwork flourishes throughout an organization everyone experiences the trust, commitment, esprit de corps, and the movement toward accomplishing the Mission and Vision.

## **3.) Creativity**

***Question: To what extent does your organization build skills and provide systems for continually generating fresh, innovative, and viable ideas to move toward the Mission and Vision?***

Creative thinking, the ability to come up with something new, or rearranging the old in a new way to solve a problem, is the single most important activity in your company. It's more important than making the product and more important than selling it. Minute by minute, your people are faced with dozens of creative challenges in the decisions they are forced to make. The better they do that, the more effectively and uniquely they solve moment-to-moment problems, the better the business will be. It's really just that simple.

If you want ideas for solving your business problems to pop out of your people, the first, and most often neglected step, is to ask them. Just ask them. It's so easy to do, and so rarely done. Show your people that they have been hired for their minds as well as their bodies. Provide training to enhance their creative thinking skills and establish a system to regularly solicit their ideas. Expect them to think, to create, then reward them for it.

Once you have new ideas popping, you need a soft, warm place for them to land. New ideas are fragile. They're rarely in perfectly finished form. They need to be evaluated and developed with a nurturing, respectful attitude if you expect more ideas to follow. Show that you see value in every idea and want every idea to succeed, because you do. Every solid, implementable, fully developed idea brings you closer to achieving your Mission. Make certain you have an environment which actively invites, develops, and *uses* your people's ideas. You can't get enough of them.

## **4.) Continuous Learning**

***Question: How many opportunities exist in your organization for promoting professional and personal growth, and developing everyone's full potential?***



The organization *must* provide continuous opportunities for people to learn and grow. People who don't grow, die. They die little by little, but they die just the same. There are plenty of organizations with dead people walking around and dead people are not known for their productivity. So if you want to keep your best and brightest people, they must have ways to stretch, learn new skills, and fully maximize their potential.

Personal and professional development must be the norm for people of all levels. Some companies hold each management group accountable for the development of the people below them. Those managers who grow their people are rewarded, and those who don't are penalized.

Provide training programs which not only develop new technical skills, but skills in leadership, communication, motivation, sales, teamwork, marketing, creative thinking, planning, problem solving, and decision making. Often we find companies who do an excellent job training people in their first few years with the company, but then stop offering learning opportunities once they reach more advanced levels, including management. Sadly, it's a common business practice to promote people into management positions without providing management training.

Once again, set the example at the top. Leaders displaying a desire to grow and learn continuously themselves, set the example. Show that you're learning, trying new challenges, and growing every day, and those working for you will soon get the message.

## **5.) Constructive Leadership**

***Question: To what extent are you and other leaders in your organization inspiring people's commitment to the Mission and Vision, and empowering them to perform at their best?***

In organizational surveys we've conducted, we often find that very few people feel they're utilizing their full potential. Very few respect their bosses. And very few feel fully supported in their work. The key to turning this situation around is creative and constructive leadership.

The top leader, and everyone else in leadership roles, must understand that "leadership" and "management" are not synonymous. Leadership is much more than the rational, analytical, logical, planning side of management. It supplements management with charismatic, inspirational, emotional connections with people. Leadership sets and preserves the Culture while management gets the job done according to the Strategy. True leaders balance both aspects, instilling dedication to the organizational Mission, inviting input into the Vision, and ensuring maximum performance from their people. When leaders grow people first, the job gets done in extraordinary ways.

How do you and all your leader/managers "grow people?" Good leaders must strive to understand each individual who works for them. They help people clarify their personal missions and visions, and then provide ways to connect those to the organizational Mission and Vision. They recognize individual talents and commit to developing them. They understand the motivational needs of their people, and feed them at every opportunity. They act as a "team" with each individual, promoting top performance by encouraging mutual goal setting, two-way feedback, and creative thinking. Using all the loops in the Spiral, good leaders instill in their people a sense of responsibility, a desire for accountability, and pride in their own results.

Essentially, constructive leaders understand that they are only as good as the individuals who work for them. They act more as mentors than managers. They make their people stars.

## **6.) Change Management**

***Question: How well are people in your organization anticipating and using change as an opportunity for moving constructively toward the Vision?***

Good leaders know that change, positive or negative, always brings new opportunities if it's carefully managed. These leaders see change as a challenge, and help their people expect change and plan for ways to turn it to their advantage.

When you see changes coming, prepare people by using the first four spiral loops as the foundation, and discussing the effect of the change on them. Communicate honestly and completely and solicit input and ideas from everyone. Solidify teamwork before the change, and then stimulate creativity in designing new roles, new goals, and new plans for achieving those goals. As leader, assume a mentoring attitude to help people see the whole event as a learning and growth experience. Reward them for their excellent performance and celebrate success. When you establish this kind of positive environment, with these cultural elements in place, your people will rise to the challenge of change.

## **The Six “C’s”**

All the elements of Culture work together. Give them the same attention you give to Mission, Vision, Strategy and Structure, since without the supporting Culture, the rest will never be fully realized. Use the questions under each “C” to run a periodic audit of their effectiveness. Continually emphasize them, assess them, set goals for improving them, train people, role model expected behavior, and evaluate results. When the six C’s are in place, integrated with each other, constantly improved upon, running through the heart of the other four loops, the organization will reach levels you never dreamed of. And from these new levels, new visions and new possibilities will spring.

### **SUMMING UP**

The elements of the Profit Spiral are Mission, Vision, Strategies, Structure, looping around the core Culture. The leader and key people must work together to develop the content of these loops. They then align the rest of the organization by establishing teams, systems, processes, and learning opportunities which empower people to successfully implement Strategies to move toward the Vision. This work is done within the context of all six cultural elements to create the environment conducive for healthy growth.

The leadership must communicate a passion for moving the organization continuously forward with daily, observable behavior indicating a solid dedication to the Profit Spiral.

Leaders who live the vision, who embody it, who enforce the culture necessary to allow it to flourish, leaders who continuously search for and send new signals to demonstrate their commitment to the Vision, are the leaders who will ride the spiral up into greater profit for all, up into the future.

Katherine Catlin is the President of The Catlin Group, specializing in applying The Profit Spiral™ to growing companies. Bruce Rodgers is a writer and consultant for major corporations in Creative Thinking. He is the co-author of INNOVATION, INC, published by WordWare.

## Catlin & Cookman Group: Corporate Profile

### *Building a Community of CEOs Who Are Growing Great Companies*

In today's fast-paced world, CEOs have the toughest job of all. While it's both exciting and rewarding, it can also be extraordinarily challenging. Where do CEOs turn for guidance? Since 1989, CEOs of emerging-growth companies have come to the Catlin & Cookman Group for our unique expertise and resources – proven methods and frameworks to plan for and manage growth and change. Our sole focus on the CEO experience sets us apart, and the highly targeted resources we offer – CEO forums, consulting processes and practical tools – are developed exclusively for CEOs who are committed to growing great companies.

#### **High-Growth CEO Forums™**

More than ever, CEOs need a group of peer advisors to help grapple with issues they can't discuss with their teams or Boards. Our unique Forums are tightly-knit groups of CEOs from similar stage companies who meet quarterly to discuss their business challenges, advise each other about critical decisions, and develop best practices for managing growth. Our focus on customizing agendas to address members' real-time, bottom-line issues keeps the group accountable and the payback measurable. And, through our licensed partners, we are growing the number of High-Growth CEO Forums worldwide, creating a powerful, wide-reaching community of over 70 venture-backed CEOs.

#### **High-Growth Consulting**

To succeed, CEOs must create a shared vision and strategy with the executive team – and then execute ... flawlessly. We work closely with CEOs to define their strategic vision and annual plans, build and align executive teams, and create the organizational design, operating system and culture for impeccable execution. Our systematic, proven frameworks for growth deliver measurable results.

***Building the Profit Spiral®** Our foundation framework. Uncovers impediments to growth and helps CEOs and their executive teams create and implement strategic plans that include market focus, mission, values, vision, strategies, structure and culture — and an operating system to make sure the plan works. The result is the path to extraordinary growth.*

***Building the Executive Team as Leaders of Growth®** Defines the key responsibilities of the executives beyond their functional roles and develops a highly-focused and exceptionally strong team capable of leading the company to successful growth, breakthrough innovation and maximized profits.*

***Building the Awesome Organization.** Drives the strategic plan down into the organization – ensures that the critical metrics, operating processes, culture and activity alignment exist to execute the plan.*

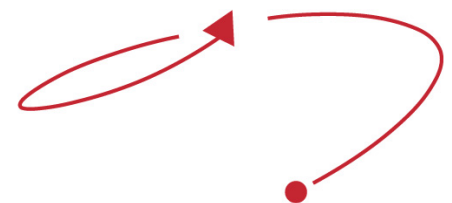
#### **Thought Leadership**

Our deep understanding of the high-growth CEO experience is reflected in our books, articles and seminars – and on our website, [www.ceoexchange.com](http://www.ceoexchange.com).

***Books:** **Leading at the Speed of Growth: Journey from Entrepreneur to CEO** (Wiley, 2001) and **Building the Awesome Organization** (Wiley, 2002) by Founder Katherine Catlin and Jana Matthews.*

***Seminars and Speaking Engagements:** “Growing Your Company: The CEO's Challenge,” a two-year, 7-part series for the Massachusetts Software Council, “The New Breed of Leader” at the Future Forward Conference, “Planning Bootcamp,” and many other engagements.*

**Clients Include:** Anaqua, Antenna Software, aPriori, Authentica, Authoria, Avotus, Bluespec, Circles, Concord Communications, Constant Contact, e-Dialog, Empirix, eRoom Technology, Experience, I-Logix, Inmagic, iRobot, LiveVault, PeopleCube, Monster.com, mValent, OneSource Information Services, PanGo Networks, Pantero, Soundbite, Steelpoint Technologies, The MathWorks, VFA, Sevin Rosen Funds, Polaris Venture Partners, and North Bridge Venture Partners



# The Bottom-Line Impact Experienced by our Clients

## High-Growth CEO Forums™

“The job of the CEO is inherently and unapologetically isolating. The High-Growth CEO Forum offers a refreshingly honest and sincere source of support and advice from peers who live on similar quarterdecks. Its format and strong facilitation differentiate it from other groups I have seen. The Forum is one of the most effective feedback and personal development mechanisms available to a CEO. It has made me a more effective leader and a happier, more balanced human being.”

*Colin Angle, CEO of iRobot which had a successful IPO in November 2005. He was also E&Y Entrepreneur of the Year winner in 2003.*

"I am a strong advocate for the CEO Forum. I grew and sold my last company for 5X more than it was worth when I started as CEO. There is no way I could have done that without the Forum. The quality of the people and input I got from them along the way was invaluable. We are all dealing with the same issues, just different context and timeframes. As you know, a CEO's biggest challenge is prioritizing – especially his/her time. The fact that most of this team never misses a meeting speaks volumes about the value proposition! As an aside, my current company is less than a year old and our last round post money was already 5X the first!"

*Paul DiGiammarino, President & CEO of Anaqua. After a successful exit, Paul is again a Forum member.*

“The Catlin & Cookman Group community was my most valued sounding board when I was CEO of eRoom – no other constituency could offer the direct, trusted and knowledgeable feedback a CEO needs when in the line of fire. Not the board, not my management team and certainly not my spouse. The CEO Forum provided me the opportunity to step back from the trees, reassess my long-term vision and strategy and gain clarity on often difficult and complex issues – and over time I built some fabulous friendships.”

*Jeffrey Beir, Former CEO of eRoom Technology, and currently General Partner, North Bridge Venture Partners. Jeffrey was an E&Y Entrepreneur of the Year winner in 2003*

“The Catlin & Cookman Group’s High-Growth CEO Forum was a major contributor to giving me the ideas and inspiration as an entrepreneurial CEO that led to winning the Entrepreneur of the Year Award.”

*Dan Schimmel, CEO of Pyramid research, Former CEO of OneSource Information Services and an E&Y Entrepreneur of the Year winner in 2001.*

“Given my scars and collective experiences, I would have thought that by now there would be nothing I could learn from a group such as this, but I am amazed at the insights I get from experienced and even newly appointed CEO's... I don't recall ever making a similar endorsement.”

*Gene Robinson, Former CEO of I-Logix, Inc*

## High-Growth Consulting

“I’ve always been an entrepreneur, and one of the things I learned early on was that I couldn’t get any synergy in my business until I had a group of people working as entrepreneurs together. We have that now at Monster.com as a result of our work with the Catlin & Cookman Group, and we also have a plan in place that will guide our future growth while helping us preserve our unique culture even as we add more and more employees here and around the world.”

*Jeff Taylor, Founder of Monster.com*

"The Catlin & Cookman Group has been an invaluable partner for Authoria - amazing people and processes for providing insight and peer-review, and for driving powerful ideas into action."

*Tod Loofbourrow, CEO of Authoria Inc.*

“When facing a difficult issue on my management team, or for the company as a whole, a quick call to my Catlin & Cookman Group consultant always provides an enlightened and unbiased point of view that helps bring clarity to the decision that must be made. I consider the Catlin & Cookman Group to be a vital member of my team.”

*John Rizzi, CEO of e-Dialog*