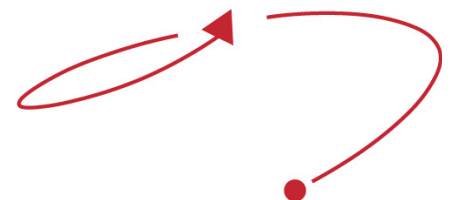


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A Catlin & Cookman Group Case Study

*Monster.Com: Underpinning Rapid Growth
With Strategic Planning*



CATLIN & COOKMAN GROUP

Mastering the Art of Corporate Growth

A CATLIN & COOKMAN GROUP CASE STUDY

Monster.com: Underpinning Rapid Growth with Strategic Planning

Monster.com is an Internet success story by anyone's standards. Working with the Catlin & Cookman Group, founder and CEO Jeff Taylor and his senior management team have developed a strategic plan to keep this dot-com leader on its stellar trajectory while preserving the unique culture that has made the company an Internet standout from its very start.

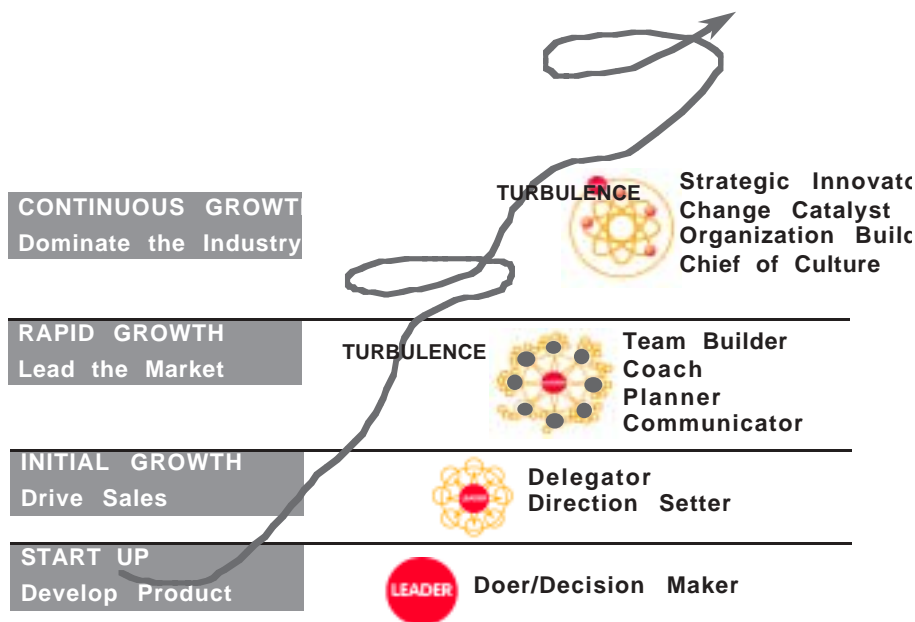
Monster.com is that rarest of Internet organizations — a dot-com company that is actually succeeding — profitably. One of the most popular of all web sites, Monster.com boasts 10.1 million unique visits per month, making the Maynard, MA, based company the leading global online careers site. Reaping approximately 40% of the online recruitment advertising market, Monster.com's 1999 revenues were \$125 million, up twenty-fold from 1996, and are projected to rise to \$350 million in 2000. The company, clearly targeted at \$1 billion in revenue, is adding about 20 employees a week and expects its current 750-member workforce to grow to 2,500 people by 2003.

In the fourth quarter of 1999, CEO Jeff Taylor, who founded Monster.com in 1994, had concerns brought on by the rapid growth his company was experiencing. He wanted to make sure Monster.com's entrepreneurial-style culture could be kept intact as more and more people joined the organization. Hiring and keeping great people — individuals who would understand and support the company's culture and vision — was another major concern; as the staff size mushroomed, this obviously was becoming a tougher challenge. Finally, Taylor wanted to make sure his senior team understood his vision for Monster.com so they could drive it to all levels of the company and translate it into day-to-day actions and processes to sustain successful growth.

Knowing that the Catlin & Cookman Group specializes in working with rapid-growth companies and understands the phases such organizations move through, Taylor hired the Catlin & Cookman Group to work with him and his gn team to redesi how the company does its strategic planning. A key focus of the work was helping the team understand of the stages corporate growth and how the roles and responsibilities of the CEO and the management team evolve as the organization passes through the various stages. (See accompanying diagram.)

In interviews with Taylor and Katherine Catlin, founder and partner of the Catlin & Cookman Group, they discussed how the senior management team at Monster.com used the Catlin & Cookman Group's proprietary model, the Profit Spiral™, to support Monster.com's continued ascent up a steep growth path. This is also very much the story of how a founding entrepreneur has evolved into a successful CEO, leading his organization through the successive stages of growth.

EVOLUTION OF THE CEO & TEAM



Q: What were the challenges of growth that led to hiring the Catlin & Cookman Group?

Taylor: The members of our senior management team were telling me they weren't getting enough time with me. They didn't want me to tell them what to do, yet they desperately wanted to spend time with me talking about what they should do. My management approach is to be pretty freestyle in terms of sharing responsibility for running the company, but as we got bigger and departments that used to have four people now had eighty, senior managers wanted guidance and a framework for how to organize the business. The way that need was first articulated was for them to say they needed to spend more time with me.

I had known Katherine Catlin for a number of years; in fact, I had designed her company's web site (www.ceoexchange.com). I was familiar with her firm's work with CEOs of rapid-growth companies, so I called Katherine to see if the Catlin & Cookman Group could help me solve what I thought was a communications problem with my management team.

“As Monster.com experienced a constant influx of new people, it became harder and harder to push the vision of the company's future throughout the growing organization.”

— Katherine Catlin

Q: What was Jeff's view of the situation?

Catlin: Jeff is a visionary leader who has hired a large group of senior managers whom he respects and trusts. He has set high expectations for them to operate on their own as a team and to manage the company while he spends most of his time outside the company, focusing on building the brand and on being the “strategic innovator” who is always looking toward the future. When his team said they needed him to communicate more with them, Jeff did a very smart thing — he listened.

When he asked us to help with this problem, he listened to us as well. We suggested that what his team was presenting to him was a symptom of a much larger issue related to the growth of the company. As Monster.com experienced a constant influx of new people, it became harder and harder to push the vision of the company's future throughout the growing organization. And even the senior management team was having trouble understanding where they were supposed to take the company. It is very common for a CEO to think his vision is clear to everyone because he thinks of little else and it's extremely clear to him. But often, the thinking behind the vision hasn't been shared, so people have a sort of one-dimensional view of the vision that doesn't help them in translating it into methodologies, systems, and plans that work across all departments.

Jeff expanded his view of the situation to look at the broader picture and accepted our recommendation that Monster.com needed a company wide plan for growth with written vision, values, mission, and action plans that would assure that everyone was on the same page. This plan would be the common focal point that would provide the glue to hold the company together. In the past, the various departments of Monster.com had annual plans but there was no organization-wide strategic plan that pulled everyone together and served as the foundation for growth.

Taylor: I'm a good communicator and I'm good at articulating my ideas almost in a story telling atmosphere, but I'd been used to managing a smaller company. I left a company that had under 100 employees, and one of the things that became clear to me when we went over 500 employees was that I wasn't being as effective in communicating my vision as I had been with the smaller company.

Also, I don't follow a lot of the rules of management that many of the people on our senior team were used to in other places they've worked. Despite the size we've grown to, this is more of an entrepreneurial environment than what they were accustomed to. So, again, they felt they needed more time with me, but I felt my role was not to be making day-to-day operating decisions for them.

Q: How was the Catlin & Cookma Group's Profit Spiral process implemented at Monster.com?

Catlin: We started with a series of individual interviews and surveys with Jeff and the senior management team. These tools showed that they needed a written mission and plan, much better communication and coordination as a team, and that they needed to internalize Jeff's vision so they could use it to guide their decisions and actions. We then had a series of offsite meetings, which we call advances, beginning in November 1999. These meetings gave the team a chance to communicate with each other and with Jeff and to develop the strategic plan with Jeff's leadership.

The plan includes mission, values, visions for each of seven vital areas of the business supported by key

objectives for company performance, and strategies and action plans for each functional team. To develop the plan, the senior management team was divided into three cross-functional task forces. This cross-functional organization helped the group discover that, while each team member has a role as a leader of a specific function within the company, he or she also has a critical leadership role within the senior management team to define and support the company wide plan. Discovering and accepting this cross-functional leadership role solved a major concern that Jeff had clearly articulated early in the process as a missing ingredient in the team's work.

“This is a very autonomous, open environment. But what I so desperately want to protect is also what can hurt our company. We have a magical culture here and I want to keep that while also allowing us to keep growing rapidly.”
— *Jeff Taylor*

Taylor: One of the first exercises Katherine's team had me do was to make a formal presentation to management of my vision and BHAGs (big, hairy audacious goals) for our company. In the end, everyone felt that I had laid out an outline for our business that most of the managers hadn't heard before in its entirety; they had heard only pieces. As a result, we were able to take our fundamental purpose and get our mission down to 10 words (“To take people further by revolutionizing the world of work”).

This exercise and the meeting that surrounded it gave me and the senior executives a chance to articulate our core values. Not that we hadn't been acting consistently through our core values, but it was getting more difficult with offices in nine countries (now 12) to talk the talk and walk the walk. Not only was the geography difficult but the hierarchy of the organization was also more complex, and more and more people were coming in each week.

Q: What was the value of having an outside consultant running the planning process for Monster.com?

Taylor: I think it's very easy in these kinds of areas to go with a cookie cutter type approach, but that's not how the Catlin & Cookman Group works. One of the things they did best was to blend in well with our team and prompt us to have meaningful discussions about our company. This looked like a very simple process on paper but was a very complex challenge in reality because you're dealing with a very dynamic, fast-moving, successful company. I think the Catlin & Cookman Group allowed the Monster.com personality to dominate the program, which is what it took for the process to succeed here. I took the process seriously and felt our success or failure rested on our ability to implement this program of developing and communicating our plan for growth.

Q: Monster.com is widely known for its freewheeling culture. Did you worry that building more structure into your organization via The Profit Spiral would change that culture?

Taylor: In a way, going through this process was kind of like having a teenager put in place a framework to become a young adult. This is a very autonomous, open environment. But what I so desperately want to protect is also what can hurt our company. We have a magical culture here and I want to keep that while also allowing us to keep growing rapidly. I knew we needed to add structure, plans, and processes to keep the company innovative.

Catlin: Jeff realized that if you keep the culture and structure too loose, it can backfire and actually hurt growth. Eventually, your culture will fall apart if you don't put something in place to support it as you undergo rapid growth. So Jeff knew that Monster.com needed to apply enough structure via a plan that pointed everyone at Monster.com toward the same objectives, including a vision that explicitly and specifically defines the culture for everyone.

Q: What were some of the biggest learnings to come out of your work with the Catlin & Cookman Group?

Taylor: One of the big realizations that came for all of us was when we discussed the implications of the chart that Katherine has developed for her new book, *Leading at the Speed of Growth*. (Refer back to the diagram) The team felt we were approaching the first plateau, and I felt we had reached that much earlier. They still wanted me to be back in the center of the circle, where the leader is during Rapid Growth stage, but I saw my role as being the CEO of a Continuous Growth organization, which takes me outside the circle and outside of day-to-day operations.

What came out of this conversation was a sharp clarity about the need for a president, not only for me but also

for the management team. Without the understanding that came from this process, if I had tried to bring in a president, the team probably would have fought it. But thanks to the discussions we had, they all came to the same conclusion. So I've just hired a president and he will work in the center of the senior management team, while I remain on the outside, being the chief of culture, building the brand, and being the strategic innovator. What had been happening when I tried to run the company without a president was that, while I wanted to be working outside the circle, I constantly had to run back in and put out fires.

The learning from that discussion of the Catlin & Cookman Group chart was so important that I keep this chart on my office wall.

The other thing that grew out of the process we went through with the Catlin & Cookman Group was a confidence in the whole team, because our company really is doing a good job and the process pointed out the strengths as well as the weaknesses. It was reaffirming for everyone.

Catlin: Jeff inherently understood that for the company to grow, he needed to be outside the organization a lot of the time doing two things: first, talking with and learning from the outside world and bringing that information back in so the company can keep innovating and second, being the spokesperson for the company to evangelize the brand. What the team wanted, however, was for him to stay at the center of their circle. Our process helped them understand the importance of Jeff's evolving roles and how they could work together better to run the company, with the support of a president, who would take Jeff's role inside the circle.

Jeff has a unique leadership style and with the new understanding that the Monster.com senior team has of the dynamics of fast growth, the company is now well positioned to achieve the aggressive objectives they've set for themselves in their strategic plan.

“Without the understanding that came from this process, if I had tried to bring in a president, the team probably would have fought it. But thanks to the discussions we had, they all came to the same conclusion.” — Jeff Taylor

Q: What are the bottom line results?

Taylor: 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, 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.

* * * * *

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.*

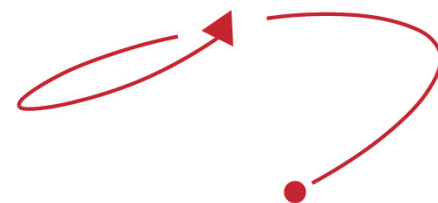
Thought Leadership

Our deep understanding of the high-growth CEO experience is reflected in our books, articles and seminars – and on our website, www.ceoexchange.com.

***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 establishing a market cap over \$700 million. 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 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, 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, 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 and Chief Monster, 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

