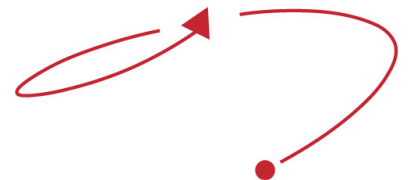


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Getting Your Culture Back on Track

*An Interview with Dan Schwinn,
former CEO of Shiva Corporation*



CATLIN & COOKMAN GROUP

Mastering the Art of Corporate Growth

Shiva Corporation, a \$30 million technology company in 1993, was positioning itself for an IPO. It had a great market opportunity and a great plan. But the turbulence in its culture prevented effective implementation of the strategy. So Dan Schwinn, founder embarked on a five-step process to repair Shiva's broken culture. Company update: in 1993 and '94, the culture was transformed and an extremely successful IPO was launched. Shiva is now generating annual revenues well over \$100 million.

We used to say there was some sort of disease in the company. We had good people. We had a worthy cause and our strategies were on target. But for some reason, we couldn't execute those strategies. Everybody was unhappy and antagonistic, and the results were terrible. Basically, the culture was broken."

That's how Dan Schwinn, CEO of Shiva Corporation, a \$30-million remote networking company with 150 employees, describes the situation he faced in the fall of 1992. Schwinn happily reported that the Burlington, MA, company was a completely different place. "Now we have a culture that makes this an efficient, effective, enjoyable place to work."

What changed? Shiva established a destination for its people (a mission and vision), showed them how to get there through a system of company core values (culture), and then empowered them to move forward. "We weren't providing a steady guiding hand for our people and weren't giving them ways to succeed," said Schwinn. "So we provided those things and then, perhaps the biggest lesson of all, we got out of their way and let them do it their way."

How to change your culture

The Catlin Group defined a five-step process for Shiva that the CEOs could use to repair a broken culture thereby assuring that strategies were executed as planned. These steps were:

1. Recognize the critical impact of culture on profitability and business growth and on the company's capacity for competitive leadership. This recognition must start with the CEO, who, in any organization, is the chief communicator and role model of culture.

2. Discover what is "really going on" through an Opportunity Assessment that gives a clear picture of all aspects of culture. The areas to review included the clarity of the mission, vision and strategies and the "7 Cs of Culture:" Customer Focus, Creativity, Communication, Collaboration, Continuous Learning, Constructive Leadership, and Change Management.

3. Design the culture by defining a vision for the ideal environment and the core values -- or operating principles -- that will take the company there.

4. Define an action plan and get lots of people and teams involved. Decide with the team what needs to change about the culture and develop an explicit strategy for making changes. This plan has to include ways to make values an integral part of the business strategies. For instance, if the culture says to be close to customers then there must be specific methods to achieve this in the business plans. Also, the action plan should include ways to help people develop the skills they'll need to flourish in the new culture.

5. Get results. Hold people accountable for the operating principles and changes that have been defined and recognize their achievements in visible, concrete ways. Make sure you hire, promote, and reward people who exhibit the values. Constantly test decisions against the mission, vision and values. And celebrate successes.

Changing your culture has to be a creative process. You and your people must search for new perspectives, challenge assumptions, take risks and be willing to redefine or eliminate habitual ways of doing things. But you'll find that the results are worth it. Just ask Dan Schwinn.



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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.*

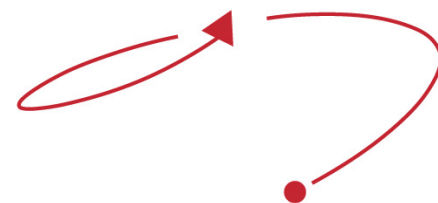
Thought Leadership

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



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Mastering the Art of Corporate Growth

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

