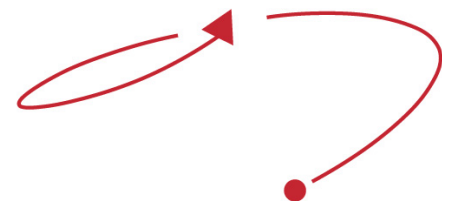


Catlin & Cookman Group
241 Central Street
Hingham, MA 02043
Voice 781.749.3292
800.806.8518
Fax 781.740.8134
info@catlinandcookman.com
www.ceoexchange.com

Secrets of Innovation

*Leading Entrepreneurs Talk About The
Source Of Their Success*

By
Katherine Catlin



CATLIN & COOKMAN GROUP

Mastering the Art of Corporate Growth

SECRETS OF INNOVATION

Leading Entrepreneurs Talk About The Source Of Their Success

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It's too bad there are special awards given to innovative companies. There shouldn't have to be. It shouldn't be necessary to honor companies for a trait which is at the heart of virtually every successful enterprise. After all, there are no awards for excellent accounting, which is equally basic to business success.

A company's competitive edge depends on its ability to foster innovation in a variety of ways throughout the organization. With rapidly changing markets, values, behaviors, and ways of doing business, companies must respond creatively in order to grow and be profitable. Those who aren't, lose.

Innovative companies can also win the New Englander Award, presented annually by the Smaller Business Association of New England (SBANE). Award winners are chosen for having "demonstrated outstanding success in developing an innovative idea, method, or device, with a proven correlation between its innovative qualities and its performance. . ."

What do these companies do that's so different from others? What are the organizational characteristics, leadership styles, and cultures in each company which enabled them to be so innovative and win the award? I set out on a quest to find out how they did it.

I met with the founders of six companies and discovered many similarities. Although they cover a wide range of industries, each of the honored companies proves that innovation and creativity are the key ingredients in achieving bottom-line results. Each offers a unique product/service, a well targeted and highly competitive marketing strategy, and an innovative approach in every area of running its business. They all know that their businesses are in the business of creativity. As a result, these companies are leading the pack.

My interviews with these leaders uncovered many unique qualities of each company, but ten general principles emerged again and again:

1. They Think:

They actually spend time thinking, because they believe in the power of ideas, and they trust their own creativity to come up with great ideas . . .

2. They are Visionary Leaders:

They are very focused on the mission, values, and vision of their companies. They each have a clear sense of what they want to accomplish, and they are excellent at expressing those values in both the company's products and culture . . .

3. They Listen to Their Customers:

Customers and prospective customers are recognized as the single most important source of ideas for product/service development and improvement, market positioning, sales techniques, and industry trends . . .

4. They Understand How to Manage Ideas:

The company leaders are constantly searching for ideas, and are willing to accept and develop ideas from any source—from the customers and employees, to the Board of Directors, to their own fantasies . . .

5. They are People-Centered:

They know that people are creative. They hire people for their creativity, and then provide the best environment for that creativity to blossom. They understand that their employees, and their ideas, are the company's competitive edge . . .

6. They Maintain a Culture of “Change”:

These founders don't just manage change, they actually seek change. They know there's always more to learn, more to try and more to improve in order to be the best. They work continuously to make things better . . .

7. They Use Teams for Their Synergy, Balance and Focus:

Teamwork induces innovation by bringing together different points of view, and they know how to manage teams for maximum creative output . . .

8. They Hold Themselves and Others Accountable for Extremely High Standards of Performance:

To comply with their missions of being the best, these leaders require output of the highest quality. They do not tolerate anything less . . .

9. They Won't Take No for an Answer:

They have persisted and succeeded when others said it couldn't be done or was impossible . . .

10. They Love What They are Doing and Have Fun Doing It:

Passion for the work and the company's growth empowers everyone.

What's so different about these award winners? They follow these ten basic principles which separate ordinary companies from extraordinary ones. These leaders are innovative because they do more than talk about the principles; they actually use them to shape the culture for innovation, growth, and maximum performance.

COMMENTS:

Intelco, Acton, Massachusetts

Founders: George Chryssis, Michael Scholten, John Chipman, Tim Reynolds, Tom DeFusco

"We still talk about the vision all the time. It's in our handbook. It prevails in our meetings. Everyone believes in it. It's the key to keeping our innovative edge. . . it is to develop innovative, high performance products, of the highest quality, with the best service, with the highest integrity, without compromise. . . to be better than the Japanese."

Data Destruction Services, Boston, Massachusetts

Founder: Richard Hannon

"We listen to our drivers' complaints, comments, and ideas. They're the ones who gave us the idea for smaller hampers, which are now a big part of our service. When there are huge jobs, we always ask how they did it, because they usually find a more efficient way to handle the work. Then we can make that way a standard operating procedure."

KRONOS, Waltham, Massachusetts

Founder: Mark Ain

". . . When there are conflicts over priorities in different departments. We have marketing, sales and engineering meetings every other week to make decisions on priorities. "

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.*

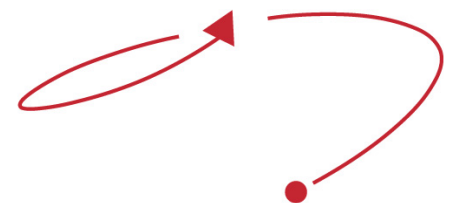
Thought Leadership

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. 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