



ROADMAP TO GROWTH

Your Roadmap Through the Three Stages of Growth

Key Highlights from our Book
***Leading at the Speed of Growth:
Journey from Entrepreneur to CEO***

by

Katherine Catlin and Jana Matthews

FIRST IN A SERIES OF BOOKS ON MANAGING GROWTH
FROM THE
KAUFFMAN CENTER FOR ENTREPRENEURIAL LEADERSHIP

*Published by Hungry Minds, Inc.
2001*

– Initial Growth –

Company Goals	<ul style="list-style-type: none">• Launch product that offers something different• Grow revenues• Capture market share
Company Characteristics	<ul style="list-style-type: none">• Fast-paced• Highly flexible/willing to experiment• Often chaotic• Sales-driven• Close to customers• Feels like a “real” company for the first time
Red Flags: Signals for Changing Your Role from Start-up Stage	<ul style="list-style-type: none">• Days too short• Physically and emotionally impossible to do everything you need to do• People want your time but can’t seem to get it• Everyone is constantly fighting fires• Don’t know which of multiple growth opportunities to pursue• Pressures of managing all the risks alone
Key Leadership Roles During IG	<ul style="list-style-type: none">• Delegator• Direction Setter
Critical Responsibilities	<ul style="list-style-type: none">• Articulate and communicate your vision and values• Understand your personal goals for the long term• Creatively use scarce resources• Watch critical performance indicators, especially financial ones• Integrate input from stakeholders with your own perspective• Hire multitalented people whose values match yours• Use mentors
Personal Changes to Make in Your Leadership Role	<ul style="list-style-type: none">• Focus, focus, focus• Consciously manage proactively, not reactively• Begin delegating your responsibilities; establish systems and a structure with clearly defined roles, responsibilities, and priorities• Stop making all the decisions• Stop solving all the problems and answering all questions• Trust others; make them accountable for results• Start proactively planning for the future instead of shooting from the hip and reacting to every new opportunity• Stop resisting the need for processes and structure• Share credit and limelight with others• Spend a portion of your time working “on” the business, not only “in” the business
Dangers If You Don’t Change	<ul style="list-style-type: none">• You’re resented as a micro-manager and a bottleneck• People are de-motivated and wait for you to make all decisions• Priorities constantly change as “strategy-du-jour” or “idea-of-the-moment” management style dominates; the company loses focus• Growth is impeded; the company declines

– Rapid Growth –

Company Goals

- Gain significant market share as products become widely used
- Become a market leader and ward off competitors
- Build infrastructure and management team to support aggressive growth
- Hire and integrate a lot of new people

Company Characteristics

- Competition heats up and customers grow more demanding; huge pressure to deliver more
- Tension between the need to move fast vs. the need to build structure, plans and systems
- Staff and management grow quickly and become more diverse
- Business is market-focused
- Planning begins and people work to the plan
- Operations start to be standardized and streamlined
- Expectations of the company from all constituencies are huge
- The fast pace is extreme

Red Flags: Signals for Changing Your Role from Initial Growth Stage

- Feel pressure to fill voids in company's functional expertise
- See need to build management team members' ability to streamline and coordinate their functions and work together as a team to plan for the future
- Want to be more proactive, but hard to find time; always feel behind the curve
- Hard to keep the original culture as new people are added
- Best way to fund growth is unclear
- Some original employees can't keep pace with growing responsibilities
- You realize how easy it would be to lose control

Key Leadership Roles During Rapid Growth

- Team Builder
- Coach
- Planner
- Communicator

Critical Responsibilities

- Hire people who are smarter than you to fill gaps in functional expertise
- Help management team members work together productively with mutual trust
- Define new roles/responsibilities and goals for management team members
- Lead team in creating a strategic market-focused vision and plan for growth and following it
- Create processes to continually align employees — especially the management team — with company's vision and culture
- Drive a meaningful communication process, including being a champion for market and customer information and communication
- Listen to and consider views of all constituencies

Personal Changes to Make in Your Leadership Role

- Use the company's plan to focus and track its efforts
- Shift your focus from doing work to managing and coaching others
- Stop being the ultimate decision-maker in every area; develop a consensus-oriented decision-making style to take advantage of your team
- Learn to facilitate effective teamwork; hold group meetings in addition to one-on-one discussions
- Encourage all ideas to be heard in a healthy debate that allows for criticism
- Stop tolerating organizational misfits
- Admit you don't have all the answers or ideas; focus on unleashing the creativity of others
- Be a champion for effective, efficient processes
- Balance your time, working equally "in" the business and "on" the business

Dangers If You Don't Change

- Functional silos, office politics and even infighting develop
- People complain about having too many priorities and spending all their time fighting fires; they lose touch with vision, strategy, and goals
- People feel the culture and values aren't important to you
- Products begin to look tired; competitors start to bite at your heels
- Lack of structure and process creates delays; it's too hard to get things done
- People don't feel empowered and find themselves spinning their wheels
- Company loses focus and can't grow
- Decline

– Continuous Growth –

Company Goals

- Dominate the industry
- Jump to the next curve
- Move to a whole new level of success by changing the growth strategy and reinventing how the company operates
- Expand to new markets and grow new niches in current markets
- Add products and services to provide more “total solutions” for customers
- Brand the company and its people as thought leaders

Company Characteristics

- Organization has grown significantly and has the potential to be an industry leader
- Competitive threats, customer demands, and technology changes pose ever more complicated challenges
- The company has outgrown its plan and infrastructure
- New growth strategies are being made or considered: acquisitions, strategic alliances, IPO, spin-offs, new product lines, etc.

Red Flags: Signals for Changing Your Role from Rapid Growth Stage

- As you spend more and more time outside the company, you worry about your management team's ability to run the business without you
- You need to solve much more complex problems, and the old ways of handling them don't work
- The organization seems unwieldy and turbulent
- You don't have enough time for vital strategic tasks; you wonder if you need a COO to run operations
- People don't seem to understand the new growth strategy or share your sense of urgency about the demands for fundamental change
- You believe in the need for change but also worry about throwing the company into chaos with too much change
- It feels like you're constantly communicating but managers complain that they don't understand decisions or how they were made
- People accuse you of micro-managing and not empowering them
- Keeping an entrepreneurial culture seems impossible
- People you count on and want to keep leave the company

Key Leadership Roles During Continuous Growth

- Change Catalyst
- Organization Builder
- Strategic Innovator
- Chief of Culture

Critical Responsibilities

- Recognize the need for fundamental change and proactively lead the discovery and implementation of a new strategic plan for achieving dramatic new growth
- Develop the executive team so each member becomes a company leader; empower the team to run day-to-day operations while you focus only on strategic issues
- Establish a network of teams for bottom-up planning and operations
- Provide the company with an objective, expanded view of the external environment
- Find and develop high-level partnerships and relationships to leverage for growth
- Use a written set of core values to guide everyone's behavior; devise reward and recognition programs to reinforce these values
- Establish systematic processes to consistently promote the “7 C's of Culture”

Personal Changes to Make in Your Leadership Role

- Spend all your time working “on” the business, not “in” the business
- Step out of operations and make strategy and culture your main focus
- Hold your team accountable for sharing strategic leadership with you
- Push for continuous reinvention and periodic planning and reorganization required for new growth
- Redefine and constantly develop the culture that will attract and retain the best performers

Dangers If You Don't Change

- Company starts to spin its wheels, loses focus on the big picture, and hits a wall
- You won't know what hit you
- New competition erodes your market share; revenue and profits fall
- People return to a reactive crisis mode
- Company spins out of control and becomes another crash-and-burn victim

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

