

In Pursuit of World Class

Discover how four Vistage members set the standard for their industries through pioneering leadership, innovation, risk-taking and larger-than-life dreams.

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The Colchester based firm using technology to change human behaviour

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Meet the second-generation CEO behind Atlanta's architectural landmarks.

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Perth's first female Chair shares lessons on perseverance with Australia's CEOs.

Making an impression

The image shows the exterior of a Wiener Schnitzel restaurant. The building has a red textured facade and a yellow roofline. A large yellow sign with a red 'W' logo and the text 'Wiener Schnitzel' is visible. Below the sign is a yellow and red striped awning. A palm tree is planted in a planter box in front of the building. The address '4501' is written vertically on a yellow pillar next to the entrance. A blue car is partially visible in the foreground.

Vistage member and CEO of US food retailer Wiener Schnitzel Cindy Culpepper, says her passion for auto racing has prepared her to make bold decisions for the iconic hot dog chain, which include expanding into new markets and adapting a radically philanthropic mission. "If you're in a car and you're fearful," says the Orange County-based Vistage member, "you aren't concentrating on what you need to do, so you are going to crash. In business and in life, you have to look ahead, take control and think it through."

Read her story on p. 24



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Improving the effectiveness and enhancing the lives of CEOs and key executives.

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The hardest work can also be the most rewarding. Just look at the Vistage members in this issue of Perspectives. They display a commitment to world-class performance, putting in the rigour, challenging old assumptions and tackling tough questions.

Read how these Vistage members pursued their vision: a California educator who pioneered a new model for schools; a New York City salesman-turned-CEO who re-engineered his company for growth; a UK CEO who orchestrated a digital transformation against the odds.

These are just a few of the incredible stories from our community. I hope they provide you inspiration and ideas for your leadership and your business. After all, learning from each other is what we do best.

Best,

Sam Reese
CEO, Vistage Worldwide

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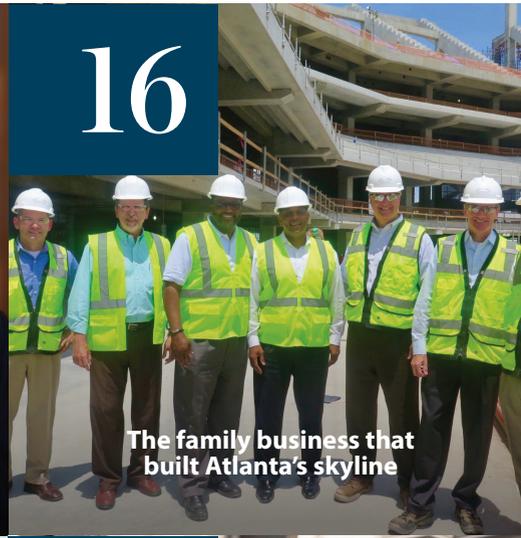
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In Pursuit of World Class

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Wiener'schnitzel's CEO is serving food to serve others

How Do You Create a Shared Company Vision?

Try running this exercise with your leadership team: It's 10 years from now. You are celebrating the achievement of your vision with the whole company. You are going to deliver a speech to everyone saying how you achieved the vision and what the company did to get there (business growth, clients, partnerships, your people, marketing, the values and behaviour we lived, etc.). Write this speech based on your understanding of what we need to achieve over the coming years and read it at your next management meeting.

Ian Windle

Godalming, United Kingdom
Vistage Chair since 2012

1. We established a clear, original one-sentence mission statement.
2. We always have a higher purpose. Our mission has to be about helping people first. Financial goals are important for fueling growth, but are in fact a result of great execution toward the vision.
3. Overcommunicate. We pass out a half-page sheet with our mission and yearly objectives to everyone in the company. We review and refer to it constantly.
4. We instill ownership by empowering our team to create their own goals that roll up to the bigger vision.
5. Meet regularly. We have a leadership meeting every week and full company meeting every month. We strive to create an interactive environment where everyone is encouraged to ask questions.

Michael Kehoe

President, DreamBrands / Mdrive
Phoenix, AZ
Vistage member since 2019

I determined my own lack of clarity around the company's vision created struggles with accountability and focus within our organisation. I wrote and shared my three-year Vivid Vision to define "what" Email on Acid is going to be and "what" we are going to do. I purposefully defined the "what" and left out the "how" so the executive team could work with their functional groups on determining the "how."

We have now defined specific KPIs that track toward the Vivid Vision and discuss them on a monthly basis. The result is more focus, determination, ownership, autonomy, accountability and alignment in achieving shared goals.

John Thies

CEO, Email on Acid
Greenwood Village, CO
Vistage member since 2016

Always explain the "why." When I can explain in detail what drives customers to us, especially in the form of a compelling story, then I've got buy-in.

Mark Hiskey

President and Co-Founder, ILIO Enterprises, LLC
Westlake Village, CA
Vistage member since 2016

A vision should ideally be stated in three to seven words, so that it is memorable. It must also be actively driven in the organisation. Give a consistent presentation several times over the course of one to two years, and ensure leadership owns and lives the vision visibly, through action.

Matthew Todd

EOS Implementer, Pac Crest Business Engineering
Yacolt, WA
Vistage member since 2017

Tackling Today's Trade Environment

Vistage members understand what it takes to find opportunity amid chaos, and the ever-shifting tide of U.S. trade relations with the rest of the world is no exception. We spoke with two members — one in Mexico, one in Canada — who have found creative solutions and growth as they deal with constant trade challenges.



Todd Bigelow is president of Accurate Screen & Grating in Canada, an industry leader in metal screen and grating production.



Alfonso Garcia Diaz is general manager of Bamberger Polymers in Mexico, which markets a full range of commodity thermoplastic resins.

Q. In what ways have the recent changes in U.S. trade policy affected your business?

Bigelow: We're not particularly focused on our sales in the U.S. because of the lack of reliability. Say we're working on something and we have a big deal. By the time the deal closes, the cost structure of the deal could totally change.

Diaz: We have mainly been affected by the trade war between the U.S. and China, which has led to the oversupply of plastic resin in the market, making for lower domestic prices and fierce competition.

Q. How did you overcome those challenges?

Bigelow: What we've done is reinforced our efforts in our domestic market. We're here to help Canadian businesses grow. We've increased our prices in tune with rising steel prices, but we have not done predatory pricing. With American companies more focused on the U.S. economy, there are opportunities for us to win business on a fair price and service level to support the Canadian market.

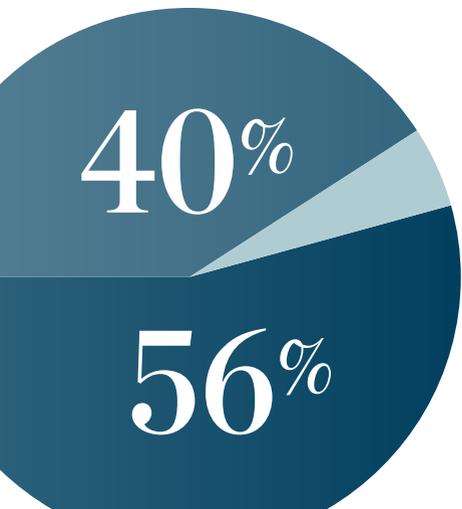
Diaz: With stiffer competition, we need to pay attention to new markets and opportunities in order to grow. We also seek to outpace the competition by identifying opportunities to refine or reinvent systems and methodologies that may no longer be as effective. I believe that optimism, creativity and energy have to remain in our day-to-day lives, and that abrupt changes always create opportunities to grow and diversify.

Q. How have those solutions helped your company withstand these recent trade irregularities?

Bigelow: With trade barriers and tariffs, there is the opportunity to increase margins and net income in the short term. But we're a living, breathing case study. We didn't do that, and we're getting even higher growth because the customer knows we're going to give them a fair price. So the trust — the relationship stickiness of the customer — increases exponentially.

Diaz: I believe that challenges, such as oversupply and unfair competition, will always exist in business. Our solution is to offer clients bespoke products and excellent customer experience to keep them loyal and make it harder for the competition to win their business. Many times, deals fall apart over a fraction of a cent, and we are able to avoid these situations by being better every day.

How are tariffs impacting your business?



In the US Q2 2019 Vistage CEO Confidence Index survey, 40% of U.S. members said their businesses have been negatively impacted by tariffs.

- 4% - Positively impacted
- 40% - Negatively impacted
- 56% - Not impacted

In Pursuit of WORLD CLASS

It takes a certain kind of person to lead a small or medium sized business to success. Growth and profitability require constant dedication, a good dose of courage and a lot of hard work. But then to drive that business to outperform and over-deliver —well, what does that require?

In this issue of Perspectives, you'll meet business leaders and top executives who have achieved such heights. For them, there is no compromise. It's not even about competing to win anymore; it's about fulfilling a singular vision that puts them at the top of their game and in a class of their own.

How a Curator from Brooklyn Is Winning Texan Hearts

When Brooklyn-based curator **Richard Aste** accepted the directorship of the McNay Art Museum in San Antonio, he took on a museum with a 22,000-piece collection that rivaled any he'd seen in NYC, but with financial challenges and opportunity for greater attendance.

The museum had a noble mission: Engage a diverse community in the discovery and enjoyment of the visual arts. However, Aste, a naturalised U.S. citizen whose family emigrated from Peru, felt that more could be done to make all city residents feel welcome. This was particularly true of Hispanics, who constitute 63% of San Antonio's population. "It was an opportunity to make a difference," he says.

During Aste's first six months as director, he simply listened. He listened to board members, who opened their homes and networks to him. He listened to the museum's staff and volunteers, who told him about "the McNay Way," the unwritten rules they had come to know at the museum. He also listened to San Antonio residents, speaking with more than 600 during his first six months as director. He heard that the McNay was a hidden gem, a source of pride for the city.

He continued to listen, but he began telling the board, staff and volunteers about his vision for the McNay — make it less of a hidden gem and more of a place that welcomed San Antonians by personalising their museum experience. “Our goal was to have the demographics of our visitors equal the demographics of our city,” he says. “The broader our product becomes, the broader our visitors will become.”

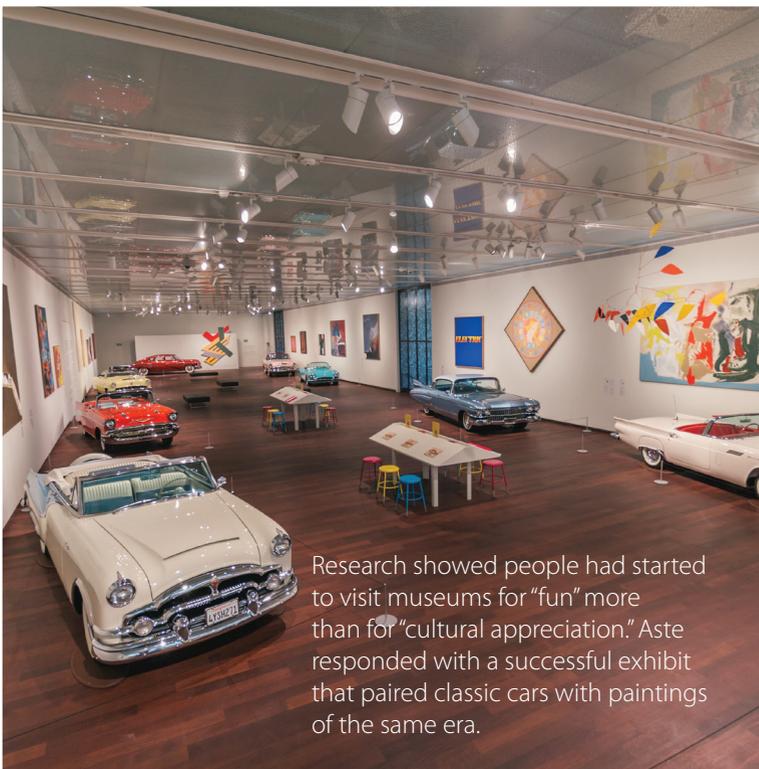
Aste’s vision was inspired by his time as curator at the Brooklyn Museum, where the directors stressed a dual commitment to artistic excellence and community impact. In Brooklyn, he saw firsthand how important art and community were to creating an inclusive museum experience.

“When explaining my vision, I talked about access to beauty as a right, not a privilege, for every member of our community,” he says. “I talked about never compromising our commitment to artistic excellence but expanding the table to include everyone in the McNay experience.”

Although Aste had a vision, he lacked business experience, and at times he was unsure that he’d be able to fulfill his vision. His doctorate and his experience were in art, not management. He’d taken an executive education program at Columbia Business School, but he felt he still had a lot to learn, so he joined Vistage to gather outside perspectives.

“There were many moments early in Aste’s tenure when he was tested,” says his Vistage Chair, Charles Marino. Some staff questioned whether new pieces of art on display at the McNay were too political, while others resisted his changes altogether — “That’s not my job,” was a typical refrain from some employees, Aste says.

Aste’s Vistage peers helped him strike a balance between his leadership style and a



Research showed people had started to visit museums for “fun” more than for “cultural appreciation.” Aste responded with a successful exhibit that paired classic cars with paintings of the same era.



Photo credit: McNay Art Museum

deeply ingrained museum culture. A key strategy was transparency. He started running all-staff meetings to focus on revenue, and he flattened the organisational chart. Aste held a town hall meeting with 200 museum docents, people who volunteered as guides and educators for the McNay, and spent hours responding to their questions and feedback. Getting them on board with his vision was important, he says, as visitors would be coming to the museum who had never been to the McNay or any other museum before. The docents needed to ensure that visitors felt welcome.

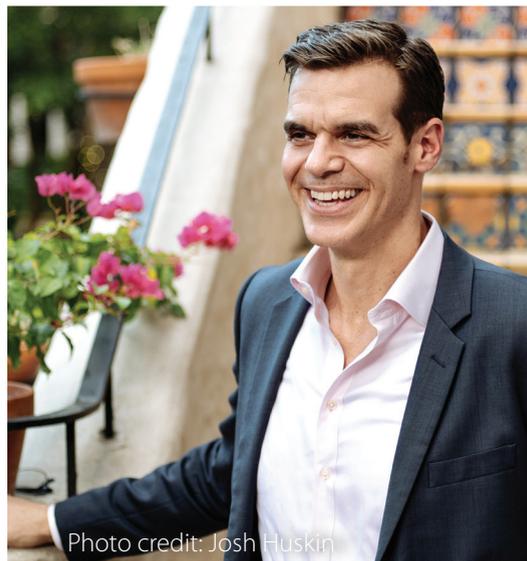
By consulting with staff, from volunteers to full-time employees to his board, Aste achieved buy-in. "I shared with them exactly why we'd made the changes that we had. They needed to know what was coming because nobody likes surprises," he says. "I learned from that moment to always get ahead of changes and share what's coming, even months before."

To further solidify his expectations with staff, he adopted three new core values for the McNay: integrity, excellence and innovation. He wanted staff to do the right thing, deliver excellent results and dare to think differently.

One way Aste could differentiate himself as a nonprofit leader was by being mindful that even nonprofits need to make money, his Vistage Chair told him. "No margin, no mission" became Marino's refrain in their one-to-ones. After months,

the advice sunk in and paid off. By 2018, the McNay's revenue was up 22% and it was averaging 200,000 visitors per year, up about 15% from when Aste started. The McNay pulled in new big-name funding, including New York's Ford Foundation and the Henry Luce Foundation. In recognition of these successes, Aste received the San Antonio Vistage Impact Award.

Now he can stand inside the McNay awestruck by the art, the architecture, the diversity of visitors and the diverse cultures reflected in the installations. "There is a moment when you step back at the McNay today and you feel like the entire city is on your campus, that you're in a truly international city," he says. "It's my greatest joy."



Listen

Aste held community town halls and responded to survey data to understand what San Antonio wanted from its museum.

Be transparent

To achieve buy-in from staff set in their "McNay Way," Aste included all staff in his vision and strategic planning.

Innovate

Aste broke the "rules" of fine art to create exhibits with mass appeal and started camps, tours and other programmes to generate much-needed revenue.



The Transformer



“I started to build the business for where we are going, not where we are.”

Ronn Cort | Vistage member

Photo credit: Billy Pix LTD

Evolving faster than the competition without leaving employees behind

Recently, a millennial-aged engineer shared why he liked working at plastics manufacturer SEKISUI SPI: “This company has been in business for decades, but it feels like a startup.”

“Startup” is a surprising label for the Pennsylvania-based manufacturer, who has been creating thermoplastics solutions for giants like Boeing and GE since 1987. But it is also apt, as President and COO **Ronn Cort** says he has made it his mission to create “an organisation that embraces change.” Over his nearly seven years of leadership, he has upended the company’s architecture, introduced radical innovations around process and product, and implemented talent and culture strategies that have kept skilled employees engaged and reduced layoffs.

Cort wasn't always an advocate for change, even if he recognised the need early on in his tenure as president. He had good reason to be conservative: In his first two years as president, SEKISUI SPI had done well, growing from 132 to 312 employees and doubling sales to \$150 million. But it was this growth that started to trouble him.

He explains, "We had become the material of choice for a number of industries, but our architecture was built to do \$72 million, not \$200 million, so the organisation was being stressed. With the rate of change in our industry, I feared that we'd eventually be left behind."

A framework for change

While Cort understood the need for change early on, he questioned his ability to implement it. "I dropped out of college before starting in sales, so I lacked a business school education. I was great at tactics but struggled with stepping back and thinking through big-picture strategy," he says. "I'd actually initially turned down the offer to lead the company, because I didn't feel I was ready. It was my Vistage group giving me a vote of confidence that convinced me to accept."

At the encouragement of now retired Chair Bob Duncan, Cort enrolled in the Vistage-Stanford Executive Leadership Program, hoping to better ground himself in the high-level strategy he'd missed when he had jumped from high school into the workforce. "A key takeaway from the Vistage-Stanford program was the PARC framework, which divides an organisation into people, architecture, routines and culture. This made it possible to contextualise a given challenge, and to see how challenges were interrelated."

One of the biggest challenges Cort identified through the framework was related to SEKISUI SPI's architecture. Cort saw the need to not just rework its org chart, but to actually rearrange its physical offices. "I moved teams based on the types of innovation that we were pursuing.

A framework to address organisational challenges

People: SEKISUI SPI predicts market shifts using economic data, and then reassigns and retrains talent before the shifts happen to avoid layoffs and stimulate employee development.

Architecture: Cort upended the corporate architecture to align teams focused on iterative innovations in one facility and those collaborating on radical innovation in another. The physical spaces reflect the needs of the two teams, for example, by granting more privacy and huddle spaces for the exploratory innovators to spur creativity.

Routines: Reworked KPIs rewarded teams for collaborating on shared goals rather than competing for limited resources to achieve mutually exclusive goals. This has also pushed employees to take on new responsibilities. For example, sales staff with good customer relationships now leverage their relationships to help finance collect on outstanding debts.

Culture: A fail-fast culture has encouraged engineers to communicate openly about failures and to take risks. Through celebrating failures, SEKISUI SPI has implemented game-changing manufacturing processes and beat engineering deadlines by months.

*The PARC framework was developed by Dr. John Roberts, Professor Emeritus, Stanford Graduate School of Business





I grouped those focused on iterative innovation and those focused on radical innovation, as these two types of innovation require different styles of collaboration, and to an extent different cultures.”

He also identified cultural issues that were inhibiting risk-taking, particularly among his engineers. “They only wanted to share what was working. But when testing new ideas, it’s necessary to fail fast and fail cheap. So, we started to have pizza parties to celebrate spectacular failures,” he says.

Transforming people

At the same time, Cort continued to identify longstanding routines that were creating inefficiencies.

For example, he was aligning performance around KPIs that were causing departments to compete, rather than collaborate. “I was effectively pitting my departments against one another. The manufacturing team was rewarded for high output, while the engineers were rewarded for running trials using the same equipment and the quality team for performing machine maintenance,”

he explains. “The new KPIs reward teams for helping others achieve their goals, for example, by effectively scheduling in time to share equipment.”

Cort reinforced his more efficient workforce by creating a more sustainable one. One challenge particular to the thermoplastics

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“Our architecture was built to do \$72 million, not \$200 million, so the organisation was being stressed. And with the rate of change in our industry, I saw that we’d eventually be left behind.”

Ronn Cort | Vistage member

industry was the cyclical nature of its business. In the past, this had resulted in periodic layoffs. This is a big problem in manufacturing, where it can be difficult to attract highly skilled talent.

To mitigate this, Cort started to leverage forecasts from ITR Economics, which he’d seen presented at a Vistage Executive Summit. “We use the forecasts to predict market ebbs and flows, as our clientele shifts with economic factors. This allows me to reconfigure departments without much drama or turnover,” he says.

Cort says that the organisational changes he’s implemented have increased sales and machine time, dropped manufacturing floor turnover to single digits, and increased throughput by 19% without adding manufacturing equipment. “These gains equate to millions in cost savings and added revenue. Today, our competitors are spending like crazy to keep up,” he says.

For all SEKISUI SPI’s recent success, Cort remains a champion of change. “After Stanford, I started to build the business for where we are going, not where we are,” he says. “If business is changing all the time, that means our business has to change all the time, which means our systems have to change constantly. For that to happen, we all need to know how to reinvent ourselves and be really comfortable doing it.”



Pioneering a New Approach to Education

In 1992, the world of education in California changed forever. The state passed the Charter Schools Act, making it legal to start new public schools that would function independently of state and local regulations. For **Mary Bixby**, it was the opportunity she'd been waiting for: Solve one of the greatest challenges in U.S. education by helping struggling students who don't have the money to pay for private schools or tutors. To do this, she would have to create a new type of school.

Bixby was up for the challenge. "If you have a young person who's disengaged, then square one is how do you get them engaged? That's where I think every single school in the U.S. needs to begin, and I don't think that the traditional model does all the things it needs to do in order to motivate young people."

At the time, Bixby was running a hybrid storefront program for struggling students in a San Diego mall. There, students took academic courses and received training in retail sales and merchandising, and then worked at the stores. Bixby wanted to build on that



Bixby's Approach

Think different

Altus schools have facilities in uncommon locations, like malls, to offer vocational opportunities to students.

Be flexible

Faculty tailor curriculums to each student, drawing on close teacher-student relationships and data.

Empower staff

Bixby gives decision-making power to every level of staff, making Altus more agile and increasing retention.

innovative model for her own charter school vision — creating something that would really meet the needs of students.

Untapped potential

Bixby didn't look for the students with the best grades to attend her school. In fact, she looked for the opposite. "We wanted students who were struggling, who had given up hope, who were not engaged. Then we specially trained our employees at every level. We're all about engaging kids on an individual basis — knowing their name and their family's names. So it's an entirely new approach to public education."

Below: Teacher Cathy Macias and her student explore microorganisms with a state-of-the-art microscope to connect scientific concepts to real life in a hands-on science lab.

Bixby's model was part business plan, part education program. For starters, she got rid of the traditional model of a centralised campus. Instead, she created 17 high-tech and highly functional resource centers throughout the county to meet 6th to 12th grade students where they lived. She invited community members to be part of the process.

Each student gets a personalised education plan, one-on-one attention from teachers, individualised college and career planning, and a

flexible schedule that meets their academic and personal needs. They also take personality and aptitude tests to identify their strengths. Using a university model, each student takes one to two courses every four weeks. Any student can take any course. Field trips and guest speakers are frequent.



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“We wanted the students who had given up hope, who were not motivated and not engaged. It's an entirely new approach to public education.”

Mary Bixby | Vistage member

Bixby says that what really sets apart the programme is how it relies on unbiased and timely data to inform instructional design.

"I've heard a school superintendent say, 'It's like trying to move a battleship' when you try to make a change in the traditional setting," says Bixby. "We're not like that. If you have an environment that is positive, constructive, productive and agile, it can make quick changes. If we see something in the data mid-year, we can make adjustments to better serve each student's needs."

The Vistage factor

Bixby used her Vistage group to incorporate a business perspective into all her educational decision-making. She learned that to run an effective operation, you need a high level of satisfaction among your employees. You need clean and attractive working spaces. You need to embrace a vision that includes change and flexibility. And that's just the beginning.

Her Vistage group and Chair have also helped her develop a distinct vision of leadership. "Leadership occurs at every level. We have a responsibility to teach, support and create opportunities for anyone at any level. I don't care if they're a clerk in the inventory room. They can all act as leaders, being proactive and suggesting improvements. Sometimes I'm a leader, sometimes I'm a follower. Leadership means you are working at creating some kind of change."

At the same time, she emphasises her own accountability. "When the buck stops on your desk, you need to have a high level of confidence. You have to be clear-headed. You have to be bold. You have to be a risk-taker. You cannot be afraid of being wrong. You have to be able to generate trust in other people. And you've got to be able to take a hit. Things may seem like they're not going your way, but I really believe in

making lemons into lemonade."

No matter who's leading and who's following, one group is always at the top of the totem pole — students. "When we look at our value system," Bixby explains, "kids come first."

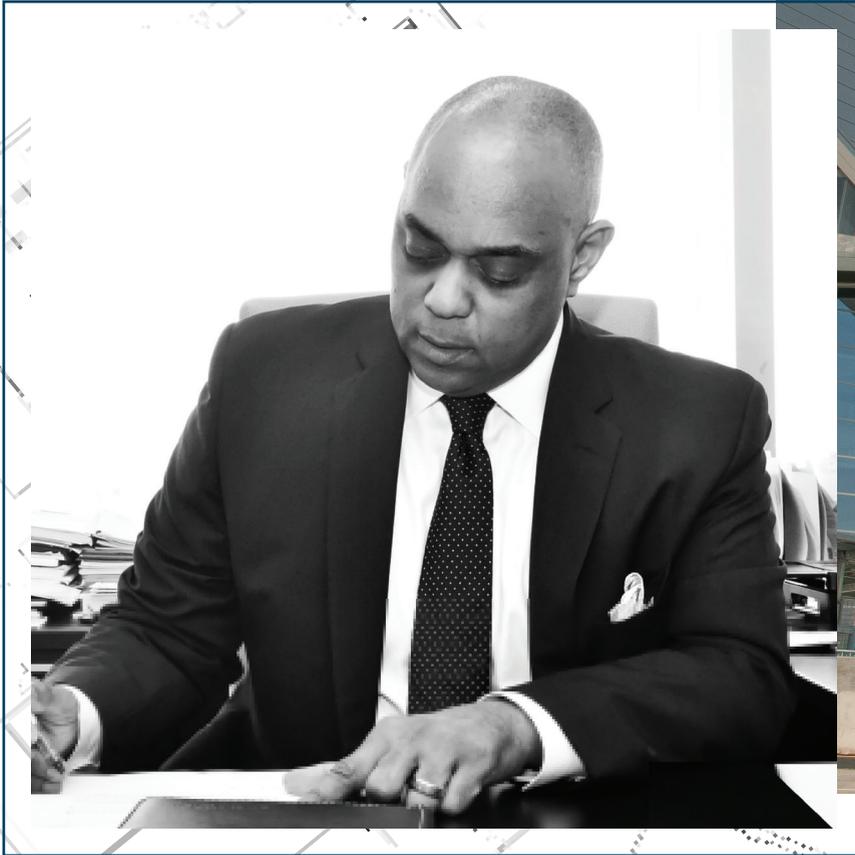
National recognition

In 2015, the school received a prestigious Malcolm Baldrige National Quality Award, the highest presidential honour in the US for performance excellence through innovation, improvement and visionary leadership. Other recipients have included PwC, Lockheed Martin, Motorola, Nestlé and Purina; it's the first time the award has been presented to a school in its 28-year history.

The school won for its ability to help students who were academically behind and at risk of never receiving a high school diploma. Between 94% and 98% of those enrolled have graduated from the Charter School of San Diego or successfully transitioned back to a traditional public school.

In 1992, Bixby couldn't have imagined that she would have opened six charter schools throughout Southern California, all using her Altus Schools model. She continues to look ahead and plan for the future. A sign over her office door reads, "The difficult we can achieve right away, the impossible will take us a little longer. It's all about where you want to go."





Expanding a LEGACY

In 2003, **Michael Russell** became CEO of the Atlanta-based H.J. Russell & Company. His father, Herman, had started the firm 50 years earlier as a plaster business and built it into the nation's largest African American-owned construction-services company. Under the elder Russell's leadership, the firm had defined the Atlanta skyline, building iconic structures including Atlanta's Olympic Stadium, Hartsfield-Jackson International Airport, the Coca-Cola Headquarters, and the Georgia World Congress Center. The company was also a longtime pillar of the civil rights movement, both financially and otherwise. In the 1960s, Dr. Martin Luther King Jr. would regularly hold meetings with other civil rights leaders at Herman J. Russell's home.



Vistage member Michael Russell (middle) reviews planning documents for the Mercedes-Benz Stadium, home of the Atlanta Falcons. (Photo credit Ron Witherspoon Photography)



Michael Russell with father Herman J. Russell

Michael Russell worked his way up through his father's real estate empire, starting in his teens with the tough job of preparing units recently vacated by tenants. He learned about the business from the bottom up, which prepared him to run the company and inspired thoughts about what he would accomplish as CEO. The company's past and his father's legacy were unassailable, but when Russell looked ahead, he saw fresh challenges and opportunities.

"We were looking to expand into new geographical areas," he says. "We had primarily been an Atlanta- or Georgia-based contractor. We worked in other markets, but we never had a consistent presence outside of Georgia."

Over the next decade, Russell worked with his family to expand their operations into Texas, North Carolina and Alabama. The company built the University of North Carolina-Charlotte's 49ers Football Complex, renovated terminals at Dallas/Fort Worth International Airport, and completed the National Center for Bioethics at Tuskegee University.

Balance tradition and evolution

Recognising past success won't translate into future viability, H.J. Russell & Company is moving into new markets where its accrued resources and knowledge give the firm an "unfair advantage."

Develop family

Russell started at the bottom of his company, and has likewise placed the next generation of his family in growth positions to learn the business from the bottom up.

But Russell didn't forget his roots: The company helped construct Mercedes-Benz Field, home to the NFL's Atlanta Falcons.

Then Russell got a call that would add to the company's civil rights legacy: Help build the Smithsonian's National Museum of African American History and Culture in Washington D.C. H.J. Russell & Company was selected as the project's construction management at-risk firm, monitoring the buildout of the 400,000-square-foot facility, 60% of which is below ground. When the museum broke ground in February 2012, the company supervised the 70-foot excavation needed for the building and made sure it wouldn't destroy an underground water table or destabilise nearby buildings like, say, the Washington Monument.

When the museum opened in 2016, Russell called it an awesome opportunity. But these days, his eyes are looking towards the future.

Moving forward

"What we've done in 15 years is not as relevant as we move forward," he says. "You have to continue to evolve and look at your businesses and see their relevance in today's marketplace."

These days, Russell is focused on scaling up staff as he reformats H.J. Russell & Company's property management and development businesses. For that, Russell leans on his Vistage Chair and group, who he says have helped him discover new markets and opportunities the company can pivot to with their considerable resources.

"As my Vistage Chair likes to say, 'Create an unfair advantage in the marketplace,'" Russell says. "How do I continue to look for ways to create that unfair advantage and grow our business so we can be sustainable for the next 10 to 20 years?"

The power of peers

Russell joined Vistage in 2009 on a friend's recommendation. It came during a time in Russell's career when he needed a better sounding board to deal with internal company issues. "I felt that I was on an island trying to make decisions by myself," he says.

Russell's Vistage group in Atlanta has helped him overhaul his hiring practices so that he brings in executives who are the right fit for the company. Specifically, Russell hired an industrial psychologist to make sure the work style of new hires meshed with their colleagues and the company overall.

"We make sure that we take the time to understand their own work style and their triggers," Russell says. "One of the biggest expenses of organisations is making the wrong hire and then having to go back out in the marketplace. It's so much loss, so much opportunity cost around that."

Russell has also worked to integrate the next generation of family members into the company, starting them in various jobs just as his father did with him, his brother H. Jerome and their sister, Donata. That generational development — he calls them "G3" — is crucial to Russell's plan to continue growing the company and making it sustainable for the next 20 years, he says.

"We just try to be deliberate about getting them in roles where they can learn and grow," Russell says. "We set expectations for their role and set expectations for their managers, so they treat this next generation of family members as employees and hold them accountable for doing their job every day."

Russell has also taken to heart the statistics surrounding family businesses, knowing that second-generation businesses only have a 30% success rate — and third-generation businesses even less. For Russell, G3 is about ensuring the long-term success of his company and family.

"Some of what we do today doesn't necessarily mean that we need to do the same thing tomorrow," says Russell, who was recently named to the Atlanta Business Chronicle's "Power 100," which highlights the city's most influential residents. "We're trying to keep as entrepreneurial as we can, which allows people to leverage what we do today into possibly something different tomorrow."

From Digital Transition to Digital Transformation

Two Vistage members explain how they reimagined their companies through technology

By Joe Galvin, Vistage Chief Research Officer

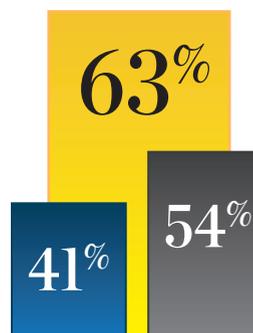
If you want to realise the benefits of technological innovation, start by thinking and acting like a digital pioneer. According to research from SMB Group and Vistage Research, 84% of US leaders identified as digital pioneers expect their company's revenues to increase this year, which is a significantly higher percentage than that of other leaders surveyed.

What makes digital pioneers different is their digital-first mindset. They innovate *through* technology, instead of innovating with technology. They don't settle for digital transitions, where technology is applied to analog processes to improve productivity. Rather, they pursue digital transformations, in which technology is used to reimagine business processes, practices, models, culture and customer experiences to meet changing market dynamics. Contrary to what most people believe, digital transformation is not an IT project. It's a leadership initiative and that may explain why so many companies struggle with it, as only about 30% of those who pursue a digital transformation actually complete it.

Two Vistage members, **Dave Sackett** and **Jeff Dewing**, are among those few. Here, they explain how they've used technology to transform their companies and industries.

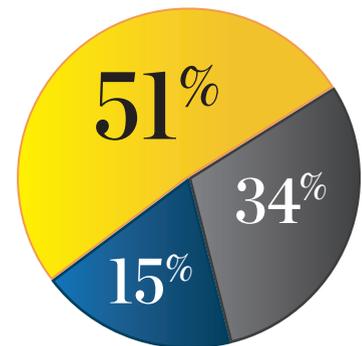
What our research says:

In partnership with Vistage and SMB Group, a recent survey of CEOs from small and midsize businesses revealed these insights about how leaders are thinking about digital transformation.



CEOs have different reasons for pursuing digital transformation. They are most interested in streamlining operations (63%), improving employee productivity (54%) and getting ahead of competitors (41%).

Many CEOs lack a well-defined strategy for digital transformation. Only 51% have a strategy underway. Another 34% plan to start in the next year and 15% don't have any plans at all.



Technology is still the No. 1 investment for small and medium firms, with 78% planning to invest in business applications in the coming year. More than half (61%) of CEOs surveyed said they planned to increase their spending on technology, with 32% planning to continue at their current rate of investment.

Source: SMB Group Digital Transformation Study, n= 218

Vistage Member Case Studies

Dave Sackett, CFO of ULVAC Technologies

Digital Transformation as an Efficiency Strategy



At ULVAC Technologies, **Dave Sackett** is more than a chief financial officer — he's a visionary who has used technology to transform his company's processes, workflows and internal systems.

"I've always tried to implement the latest and greatest technology to move my company forward," says Sackett, who regularly travels across the U.S. to teach other CFOs about leveraging artificial intelligence, blockchain, machine learning and other emerging technologies. "Digital transformation gives you an opportunity to come up with something brand new. It allows you to rethink some key questions: Where's the information going? Who's the audience? Is this something that even needs to be done anymore?"

When Sackett was in the process of transforming ULVAC, he focused on the goal of efficiency. For example, he implemented a modern enterprise resource planning (ERP) system and integrated robotics process automation to streamline workflow. "Manual transactions and tasks that are repetitive — where there's no real thinking involved — are my No. 1 things to automate," he says. He also transformed internal systems to make it quicker and easier for employees to access the data they needed to do their jobs well.

"In the past, people would come to a department, ask for a report, and wait while someone generated it," he says. "It was a big waste of effort. Just giving direct access helps speed the process along."

Acknowledging that digital transformations are never easy, Sackett offers several recommendations to leaders looking to embark on the journey.

Align goals and expectations, starting with the senior leadership team. "They can push down the directive that change is good for the company," he says.

Give employees the time and tools to adapt to new processes and systems. Sackett took a year to implement his company's new ERP system, even though his vendor said they could do it in three months, because he knew his team needed more time to transition. "They weren't going to have enough time to 'play in the sandbox' using a demo to do transactions and understand the process," he says. "I took it really slow and methodical, so that when we did go live they were more than comfortable in the new system."

Force employees to commit to new processes so they don't fall back into old workflows. "If you have an employee who wants their expenses paid, make them go through your new automated accounts payable process; don't let them submit paper expenses," he says. "Teach them that if you want it done, you have to adapt."

That last point speaks to Sackett's broader philosophy about digital transformation. "It's about rethinking your business in a digital way, versus the analog way or the way of the past."

Jeff Dewing, CEO of Cloudfm

Using Technology to Change Human Behavior



After working in senior roles with some of the world's largest facilities management companies, **Jeff Dewing** became frustrated that his industry hadn't evolved since the 1960s. He believed that the facilities management sector needed new technology and a cultural shift — and decided to come up with a solution to make it happen.

"I started building technology for facilities management that focused on human behaviour change," Dewing explains. "The technology aimed to make outcomes in facilities management entirely transparent — whether they were good, bad or ugly."

That vision eventually became Cloudfm, the cloud-based facilities management company based in Colchester that Dewing co-founded in 2011. Today, Cloudfm provides a complete facilities management solution that uses technology to oversee building and equipment for companies. Its clients span the retail, restaurant, commercial building, hospitality and charity fields, and include such well-known brands as Pizza Express, KFC and The Guardian.

Before Cloudfm, the only facilities management system available to companies was fundamentally flawed, as its data was susceptible to alteration, which made it unreliable. Cloudfm's solution, by contrast, is tamper-proof. Users can't delete or amend records. As a result, when on-site engineers complete a task — whether it's changing a light bulb or fixing an air conditioner — they have to report what they did, how they did it, and what materials they used.

The goal, Dewing says, is to focus on outcomes and then work on optimising those outcomes. "If the outcome is great, we'll celebrate it," he explains. "If it's poor, we'll re-educate or retrain the engineer. But we do not change the data and that's the primary difference between Cloudfm and the rest of the industry."

The company's innovative approach has been recognised by more than just the industry. It recently

received two prestigious accolades, The Queen's Awards for Enterprise: Innovation 2019 and inclusion in the London Stock Exchange Group's "1000 Companies to Inspire Britain."

While Dewing acknowledges that technology is core to Cloudfm's success, he emphasises that culture is what makes his solution really work. When companies create an environment that allows their workers to be honest — and admit mistakes without suffering repercussions — that enables people to be their best, he says.

"Once you achieve that shift, then suddenly all stakeholders will focus on resolving the problem, not on who is to blame," Dewing notes. "This doesn't happen overnight. It's about having the right level of expectation."



Download the Vistage Digital Transformation Report at vistage.com/digital-transformation

You're an. Animal

Vistage US Speaker of the Year on what nature has to say about wellness



Photo credit: Lea Black

Vistage Speaker of the Year **Dan Miller** runs a simple thought experiment to contextualise health in the workplace. “I ask my audience to imagine any mammal. Remove it from its natural environment, lock it in a confined space with limited natural light. Only feed it processed food. Place it under constant, low-level stress,” he says. “Then I ask them how long they think it will live.”

The point, of course, is that humans are in fact the animal in the thought experiment. We voluntarily subject ourselves to little better than lab rat conditions daily, yet act surprised when we regularly get stressed, get sick and die before our time. While Miller doesn't expect the executives he coaches to outright abandon their work-intensive lifestyles, he does encourage everyone to find ways to live more harmoniously with nature.

His “Happy Healthy Human” (HHH) program offers a four-hour/week regimen that addresses stress, sleep, hydration, diet, exercise and durability. Though Miller trademarked the program, he prefers not to take credit for it. “My program

is really Mother Nature's program. I like to say Mother Nature is a jerk, meaning that her rules — which we've evolved under — are pretty much immutable,” he says.

Miller is a certified nutritionist, but says his knowledge of human evolution and physiology is largely the product of independent study. He reads several hundred scientific books and peer-reviewed articles each year, and is an accomplished martial artist who once held the Guinness World Endurance Record for a 48-hour treadmill run.

His personal discipline can come off as almost superhuman (and perhaps a tad irritating to the mere mortals who struggle to make daily step counter goals). But if he's a superhero, the catalyst for his good deeds isn't just sheer force of will, it's a tragic origin story.

“My father left my mother one night, without car or income, and did not return until he was near death,” Miller says. “He smoked two packs a day, was a professional drinker. He had pancreatic

cancer, and I watched him suffocate to death. He never met his grandchildren." Witnessing his father's agonised, lonely death motivated Miller to dedicate his life to helping others avoid the same fate. "I've done 130 programmes for Vistage alone this year. It's hard to say no, because I don't want people to end up where he did," he says.

While Miller's personal fitness and habits represent the polar opposite of his father's, his HHH programme was developed for those who fall somewhere in the middle. He is mindful that most lack time and motivation, and also that among a culturally and ethnically diverse population, he must cater to varied dietary requirements and physical abilities.

Miller's accommodating approach to wellness is clearly illustrated in his take on a common stress-reduction technique, meditation. "I advocate for 20 minutes of meditation a day. But I don't require that people close their eyes and sit cross-legged. Rather, I define meditation as simply being fully present, or put another way, paying attention without awareness of the passage of time." He points out that people enter a "meditative" state while doing activities that also constitute exercise, like running.

Because of its adaptability, the HHH programme has proved particularly well-suited for executives looking to create healthy workplaces. He calls out norms that are not just unhealthy,

but counterproductive. Take conversation, for example: "Tell your people to go for walks during meetings and while on the phone. Our brains release oxytocin when we walk, which is the primary chemical responsible for forming interpersonal bonds. So your service specialists and sales teams aren't just stretching their legs, they're having more fruitful conversations."

He's also made an enemy of a standard office feature: soda machines and smoothies. To help executives understand the danger of liquid sugar, he again looks to how we've evolved in relation to our environment. "When foraging, you cannot get at any sugar without chewing, and the amount of chewing is roughly proportional to the amount of sugar in the food. Even honey is normally encased in thick wax," he says. This matters, he explains, because, "amylase, the enzyme our bodies use to break down sugar, is produced in our saliva. When you drink sugar, you don't produce saliva, which means the work of processing it is passed along to your liver."

Miller is quick to point out that the vast majority of the health crises facing the developed world are solvable. "More than 90% of health and longevity is due to environmental factors, while only 10% can be attributed to genetic factors," he says.

This, he offers, helps explain one of the great paradoxes of modern civilisation: "In the fossil record, you find people living as long or longer than present-day

humans. Modern medicine and amenities should be making us live much longer on average, but that's simply not the case. We should be asking 'Why not?'"

Strategies to improve your health:

Stress

Strategy: 3-5 min. high-intensity, full-body workout

Why it works: High-intensity workouts trigger a flight response, which lowers stress even with non-imminent threats.

Weight loss

Strategy: Eat whole (natural) foods, don't diet

Why it works: Eating less isn't an effective diet. Instead, favour single-ingredient whole foods, which offer natural speedbumps, like shells and seeds.

Chronic illness

Strategy: Get your body to 38°C for 30 minutes, 3x /week

Why it works: A small dose of stress ("hormesis") makes you less fragile and can help the body flush germs and dying cells.

What Goes into a Wienerchnitzel Hot Dog?

Only the best stuff, it turns out



Hot dogs get a bad rap as “mystery meat.” To counter this perception, Wienerchnitzel is planning to roll out a marketing campaign resembling food industry association PR efforts like ‘Pork, the other white meat and ‘Beef, it’s what’s for dinner.’ “We want to educate consumers that the quality is generally superior to what you get in a hamburger, and that ours are cooked over real maple and hickory wood chips,” says CEO and Vistage member **Cindy Galardi Culpepper**.

The back-to-basics campaign makes sense from Culpepper, who has reverently carried on the Los Angeles-based fast food company’s traditions since becoming CEO six years ago, after her ex-husband and Wienerchnitzel founder John Galardi passed. She has not just preserved the company’s signature dog, but also its iconic A-frame drive-thrus and kitschy mascot, an anthropomorphic hot dog named The Delicious One. She recently completed a book documenting Galardi’s life and the history of the franchise, which she gives away to staff and guests.



The evolution of the brand

1961

In 1961, Martha Bell, a family friend and wife of Taco Bell founder Glen Bell, finds the name “Wiener schnitzel” in a cookbook.

1970

Der Wiener schnitzel sponsors drag racing. The long, thin car becomes a popular and symbolic attraction at restaurants.

1999

The company invents its mascot, The Delicious One.

2003

Wiener schnitzel acquires Tastee Freeze and starts serving the popular soft serve in its restaurants.

2009

Ad firm DGWB creates a campaign riffing on the original Der Wiener schnitzel name with puns like “Der-licious.”

2014

Culpepper makes social media a top marketing priority. Wiener schnitzel starts sponsoring extreme sports and auto racing athletes with large social followings.

2016

Culpepper appears on the 100th episode of the CBS show “Undercover Boss.”

2019

Wiener schnitzel sponsors prestigious National Student Advertising Competition. The winning school, Ithaca College, devises a strategy to elevate perceptions of the hot dog and market it as a viable dinner option.



A philanthropic mission

Though Culpepper has by and large preserved Wiener schnitzel’s identity as a restaurant — 120 million hot dogs sold each year don’t lie — her vision for the company as a whole is a decided departure from Galardi’s. In fact, the main reason she became CEO was because she saw the need for change, and saw herself as the best one to do it. “I inherited an organization that had grown somewhat stagnant over the past 20 years and could be doing a lot more with its considerable resources,” she says.

One of her first actions as CEO was to take her leadership team on a retreat to discuss how Wiener schnitzel’s mission of serving high-quality, affordable food could be married to her lifelong passion for philanthropy. After two days of collaboration, they’d created their new mission statement: “Serving food to serve others.”

“I didn’t just want us to donate some money, but to direct a considerable portion of our profits back into the community. I took this mission seriously, to the point that I created a dedicated philanthropy department,” she explains. “This was a radical departure for a company that had never made community service a major part of its culture.”

The company selected several worthy causes, with a focus on children. “We’ve recently done a lot of work with a non-profit called Roc Solid, which builds playgrounds for young cancer patients. It’s truly remarkable to see a child start the day struggling, then come alive when they return home to a surprise playground.”

An unlikely leader

Culpepper’s bold new direction for Wiener schnitzel came as a surprise to most in the company, who had previously known her as the unassuming silent partner to Galardi’s hot dog empire. After she inherited voting stock, most had assumed she’d cede leadership to the current president. Her brashness was perhaps less of a surprise to those who knew the girl who ran away from an abusive home as a teen and started two businesses, or the leather-clad racecar

driver, or the novice pilot who once nearly crashed into Donner Summit on her first cross-country solo flight.

Culpepper affirms that her life experiences helped prepare her to take on the responsibilities of an executive. “If you’re in a car and you’re fearful, well, now you aren’t concentrating on what you need to do, so you are going to crash. When I was caught in a storm over Donner, if I had panicked, I wouldn’t be here today. In business and in life, you have to look ahead, take control and think it through.”

Though she has come late to executive leadership, she’s demonstrated strong instincts and a thorough knowledge of current business trends. These qualities have helped her weave the ethos of “serving food to serve others” through every facet of her organisation.

This is manifest in Wienerschnitzel’s clever social media marketing strategy, which leverages sponsorships of extreme sports athletes — taking a cue from Culpepper’s own passion for risk-taking. The company has collaborated with their athletes on fundraising events, which have included a restaurant takeover by a motocross team and a partnership with Skate for Change in the Hotdogs for Homelessness tour — events simultaneously furthering the company mission and appealing to a younger demographic.

Culpepper has also focused the company’s mission inward, to its more immediate community of franchisees and employees. She has earned a sterling reputation with franchisees for treating them as partners rather than income flows. “If I see that an owner is doing everything we ask of them in terms of maintaining quality,” she says, “but struggling for reasons outside their control, we’ll step in with financial assistance to make sure they have the resources to get through the hardship.”

For employees and their families, Culpepper worked with the California Restaurant Association Foundation to start a scholarship programme. “Fast service work is incredibly hard, which I learned firsthand filming an episode of ‘Undercover Boss,’” she says. “It’s important we don’t just provide employment, but a path for our

workers to get ahead. We had hired a young man who was homeless; he was able to attend college with a Wienerschnitzel scholarship.”

Culpepper’s holistic approach to “serving food to serve others” has not just advanced her philanthropic vision, but has made Wienerschnitzel stronger than ever. Many of the company’s 320 locations have seen record sales under her leadership, and there are plans to open new franchises across the Southwest. Her genius has been the insight that the decidedly un-trendy hot dog can be a trendsetter, offering Americans a food that is refreshingly uncomplicated, not just because it’s familiar, but because the company behind it has integrity. As Culpepper puts it, “Hot dogs are an American tradition. I want Americans to feel good about eating them.”



CEO Cindy Culpepper talks strategy with franchisee Alex Lotfi.

“Serving food to serve others”



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"I've always believed that people can get the very best support, ideas and stimulus from a peer group. The power of the group is what people gain from helping each other."

Antonia MacLean
Vistage Chair

Lyn Harding's journey

from Vistage member to
Perth's first female Chair

In 2012 a few significant events were converging for **Lyn Harding**. She had a milestone birthday to celebrate, her children had finished school, and she was faced with the realisation that all good things do indeed come to an end.

The time was right to fulfill a personal dream: Take a 12-month sabbatical, enjoy Italy with her husband, practice conversational Italian, and summon enough courage to ride around on a Vespa.





a Vistage member gave her insight into what chairing entailed.

In February 2014, Harding became the first female Chair in Perth, the capital city of Western Australia. Today, she chairs two Vistage groups with a total of 27 members.

“As a Vistage member you are never alone as a decision-maker; you belong to a global network of business leaders,” Harding says, adding that the diversity of perspectives sparks richer discussions, more possibilities for critical thinking and improved — and sometimes unexpectedly — solutions. It’s a dynamic that can only come forth in an atmosphere of deep trust and caring, absolute essentials in her groups.

As a Vistage member Harding personally experienced the value of such a dynamic. For example, she says that when she was faced with a glass ceiling as a woman in a top position of a major organisation, she recalls thinking: “If perhaps I behaved more like the men in the organisation, I might gain success in breaking through this. But my group, which I trusted implicitly, reminded me of the importance of being an authentic business leader. This was sage advice which made me rethink my situation from the perspective: What’s within my circle of influence, versus what is merely my circle of concern. This helped me make the ‘right’ next move.”

In her groups, Harding aims to attain a healthy level of diversity across many dimensions: gender, age (members range from their 30s to 70s), cultural backgrounds, and organisational roles (there’s a mix of business owners, entrepreneurs and top executives). She also cites a less obvious factor that impacts peer group dynamics: where one is in the business cycle.

“We’re all riding different waves in the business performance cycle,” she explains. “Those riding the crests are quite happily zooming along, while others are in a trough and doing their best to stay upright. Likewise, some members are newly appointed executives who haven’t gained their full confidence yet, while others are mature

There was only one catch: In saying “arrivederci” to corporate life, she’d also have to say goodbye to her beloved Vistage group (called The Executive Connection in Australia & New Zealand, or TEC). Her group had become a vital part of her business life since 2007, helping her navigate her role as director of finance and corporate services for Ramsay Health Care, one of the largest global private hospital groups.

In saying goodbye as a member, Harding unknowingly set herself up for a different kind of relationship with Vistage. One year later, fresh from her European adventure, she was offered an opportunity to become a Vistage Chair.

It was easy to say yes. She was establishing a career as an executive consultant and she highly valued her experience as a member. “I have always embraced the power of peer connection and deeply understand the value of long-term mentoring and peer relations,” she says. Plus, her five years as



leaders who want to create a succession plan. She says, “Being at different stages simultaneously is where the magic of the group happens. It’s an opportunity to help each other along while acknowledging that every phase is temporary.”

Even as a crusader for diverse perspectives within her groups, the aspect of chairing that Lyn most appreciates is connecting with our common humanity. “As a Chair, I am connected with a global network of people from other countries, cultures and experiences. I am part of a Vistage Worldwide tribe — a powerful group with tremendous reach. That was especially obvious when I attended an international Chair conference in San Diego this year. We are all striving to be the best version of ourselves, to help others succeed, to make a positive difference.”

“

“Being at different stages simultaneously is where the magic of the group happens. It’s an opportunity to help each other along while acknowledging that every phase is temporary.”

Lyn Harding | Vistage Chair

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Angela Podmore
Managing Director, Kinetic Communications



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