

Catlin & Cookman Group  
info@catlinandcookman.com  
www.ceoexchange.com  
800.806.8518 / 781.749.3292

## ***Building the Profit Spiral™ at OneSource Information Services, Inc.***

*An interview with CEO Dan Schimmel*



**CATLIN & COOKMAN GROUP**

*Mastering the Art of Corporate Growth*

### Why did OneSource need a new approach to planning and managing growth?

*Schimmel:* We had purchased the company in a management buy-out from Lotus a few years ago. The business had grown rapidly but, as the Internet began to eat into the CD ROM market, our sales flattened, and we were clearly in a turbulent time. We started to reinvent the company a year ago with a web-based product line called Business Browser. After some initial success, I contacted Catlin Group to kick the transformation into overdrive.

In the past, each business unit did its own annual plan. Largely, it was a series of independent plans. I began thinking about breaking up that existing structure because now we really had a start-up company within the existing company. I wanted to do our thinking and planning for 1999 in a breakthrough way with everyone in key roles rethinking their jobs in terms of this transformation. Also, I was looking for team building and more buy-in than we had ever had before.

We weren't looking for strategy consultant; we had enough strategic thinking and marketing knowledge internally. We were looking for someone who could help us catalyze the independent pieces of our thinking and catalyze a team together to commit to and implement a whole new plan. What I liked about Katherine Catlin and Bill Coughlin was that they had a pretty rare combination of business savvy and a good model, called the Profit Spiral™. Katherine and Bill have a very good process and facilitation skills along with good sense of what it actually takes to bring a company along on a path to rapid growth.

### What new insights came out of the Discovery Phase?

*Schimmel:* Bill and Katherine took 15 people through extensive interviews; people truly opened up, and we got all the good, bad and otherwise information on the table, which is really what you need.

The Discovery Phase helped us clarify which target markets we want to serve better than anyone and why.

We saw we were spread too thin and trying to serve too many different markets and applications. We

needed to narrow our focus. This became apparent when we talked about our strengths, weaknesses, challenges, and opportunities. The process crystallized our thinking around that information we really need to make a high quality decision and then just focusing like a laser on getting that information.

### Did any surprises come up?

*Schimmel:* We found a surprising commonality about the mission of the company. People's ideas were not as articulated as the mission statement we finally evolved, but when you read what people said in their own words at the start, a remarkable degree of agreement about the mission actually existed, which was encouraging.

The surprising thing for me was how much my vision, which is your ideal picture of where the company is going to be in two years, differed from other people's ideas. People had very different pictures of the company -- the specific size, attributes, our value proposition, the kind of accounts we would have. This meant we had different views about strategy, too.

### How did you resolve those different visions of the future?

*Schimmel:* We spent a lot of time talking about it and doing exercises about it. We put ourselves in the position of the prospect and painted this picture of what the ideal service provider would be. We talked about what was common about our visions and what the real differences were. We resolved the differences and a consensus emerged.

### How did the final version of the vision differ from what you had anticipated at the start?

*Schimmel:* The vision we ended up with was better. It was more specific and concrete. Also, it had new ideas in it that I hadn't considered and important nuances. But the most important thing was that it wasn't my idea; it was the product of our 15 most senior managers, who felt it was their work, not mine.



### How did you bring about the organizational changes you were considering?

*Schimmel:* Catlin Group process helped me crystallize my thinking about what I wanted to do, how fast I wanted to do it and who I wanted to put in which positions. That's about as clear a picture as you can get. It became clear to me that a great sense of urgency and excitement was swelling up as part of this process. Some companies wait too long to make the organizational changes that will drive the exciting new strategy. They end up dissipating a lot of the momentum.

We eliminated business units and created cross-functional teams of product development, sales, support, and marketing. One of the important understandings that came out of the work was that we were doing marketing programs instead of strategic marketing. We needed a much more strategic understanding of customer needs and market conditions to fulfill our mission, something companies have a hard time doing. We're quite excited about getting closer to customers. We're doing much closer analysis of customer markets and their patterns.

### What was the toughest hurdle you encountered during your planning process?

*Schimmel:* One senior executive started the process but didn't finish it. In a small to medium-sized company, it's all about people, and it became clear that this executive was not fully embracing the transformation of the company. We had perceived he was having trouble and was holding back the team, but this process brought the problem into bold relief. So, in the middle of all this, I recognized the right decision was to terminate him, and it really strengthened the team.

### What worried people at the start?

*Schimmel:* It seemed like a daunting task. Although Katherine and Bill said this has been done many times before, it seemed like such a morass of issues. You tell people we have a process to go through that produces a clear mission, vision, strategy and structure and we're going to do this in two months, but a lot of skepticism existed about that.

But Katherine and Bill kept plugging away. It was not a smooth process; there was definitely thrashing around, which is inevitable at our stage of business growth. It was not nice and clean; we had some ugly sessions, but they were "healthy" ugly sessions. But we broke a big problem into a series of logical chunks. We built momentum and got through it. What we accomplished in a short period of time surprised everyone. We finished the bulk of our strategic thinking for '98 about two months earlier than in the past. The three off-sites over two months compressed the work into a tighter time frame. We're heading into 1999 with our act together much better than in previous years. That's a big benefit that we got out of our work with Catlin Group.

### What trepidations did you personally have about the process?

*Schimmel:* The nature of putting your company through this with consultants is that while you have a sense of urgency about the need for going through this process, you're also making yourself vulnerable and you have high expectations. They did a great job with the delicate balance of winning over people's trust in them and building confidence in their skill at what they do, and then using that to push the process ahead and challenge people at the right time. It was really rewarding; there was no wasted effort.

At our previous off-sites, there was not enough advance planning or not enough time. Some we had facilitated ourselves and some had outside facilitators. Katherine and Bill raise that art to its highest level; there was much more thorough planning, follow-up, and follow-through. They really focused on the end result of how do we get this company to a mission, vision, and strategy as well as buy-in on a process for learning how to keep renewing. There is a real power in having someone who is good at that because they cut through a lot of stuff that is off point. So, I'm an enthusiastic believer.



**Did you get things out of the process that you didn't expect?**

*Schimmel:* I didn't expect we would transform our structure so

rapidly; I thought it would take a couple months longer. The clarity and confidence about what we needed to do came much sooner, so that was unexpected.

One thing I learned as the CEO was how much capacity bright, talented people have to exceed my highest expectations if pushed hard. It's remarkable what people can accomplish; we learned a lot about our own capacity that should come in handy.

Also, it was a little unexpected that at the end of the process there was a very enthusiastic embracing of this

great opportunity and exciting direction. I thought it would take some market success to get people on board, but they were ready to go. The process really brought people together as a team.

**How was your board involved?**

*Schimmel:* Our outside chairman participated in all the sessions. He was really skeptical going in; he had done this sort of thing and felt it would waste time and we wouldn't have anything to show. But by the end he was very complimentary and gratified by the process.

**Have you seen actual bottom line results?**

*Schimmel:* Yes. In our first full quarter after going through the process, we had our best quarter ever, with particularly strong results in our web business. And all the signs are good that this upward trend is going to continue.

## 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.*

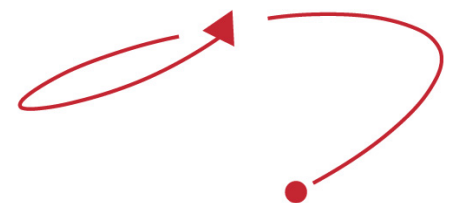
#### **Thought Leadership**

Our deep understanding of the high-growth CEO experience is reflected in our books, articles and seminars – and on our website, [www.ceoexchange.com](http://www.ceoexchange.com).

***Books:** **Leading at the Speed of Growth: Journey from Entrepreneur to CEO** (Wiley, 2001) and **Building the Awesome Organization** (Wiley, 2002) by Founder Katherine Catlin and Jana Matthews.*

***Seminars and Speaking Engagements:** “Growing Your Company: The CEO's Challenge,” a two-year, 7-part series for the Massachusetts Software Council, “The New Breed of Leader” at the Future Forward Conference, “Planning Bootcamp,” and many other engagements.*

**Clients Include:** Anaqua, Antenna Software, aPriori, Authentica, Authoria, Avotus, Bluespec, Circles, Concord Communications, Constant Contact, e-Dialog, Empirix, eRoom Technology, Experience, I-Logix, Inmagic, iRobot, LiveVault, PeopleCube, Monster.com, mValent, OneSource Information Services, PanGo Networks, Pantero, Soundbite, Steelpoint Technologies, The MathWorks, VFA, Sevin Rosen Funds, Polaris Venture Partners, and North Bridge Venture Partners



# The Bottom-Line Impact Experienced by our Clients

## High-Growth CEO Forums™

“The job of the CEO is inherently and unapologetically isolating. The High-Growth CEO Forum offers a refreshingly honest and sincere source of support and advice from peers who live on similar quarterdecks. Its format and strong facilitation differentiate it from other groups I have seen. The Forum is one of the most effective feedback and personal development mechanisms available to a CEO. It has made me a more effective leader and a happier, more balanced human being.”

*Colin Angle, CEO of iRobot which had a successful IPO in November 2005 establishing a market cap over \$700 million. He was also E&Y Entrepreneur of the Year winner in 2003.*

"I am a strong advocate for the CEO Forum. I grew and sold my last company for 5X more than it was worth when I started as CEO. There is no way I could have done that without the Forum. The quality of the people and input I got from them along the way was invaluable. We are all dealing with the same issues, just different context and timeframes. As you know, a CEO's biggest challenge is prioritizing – especially his/her time. The fact that most of this team never misses a meeting speaks volumes about the value proposition! As an aside, my current company is less than a year old and our last round post money was already 5X the first!"

*Paul DiGiammarino, President & CEO of Anaqua. After a successful exit, Paul is again a Forum member.*

“The Catlin & Cookman Group community was my most valued sounding board when I was CEO of eRoom – no other constituency could offer the direct, trusted and knowledgeable feedback a CEO needs when in the line of fire. Not the board, not my management team and certainly not my spouse. The CEO Forum provided me the opportunity to step back from the trees, reassess my long-term vision and strategy and gain clarity on often difficult and complex issues – and over time I built some fabulous friendships.”

*Jeffrey Beir, former CEO eRoom Technology, and currently General Partner, North Bridge Venture Partners. Jeffrey was an E&Y Entrepreneur of the Year winner in 2003*

“The Catlin & Cookman Group’s High-Growth CEO Forum was a major contributor to giving me the ideas and inspiration as an entrepreneurial CEO that led to winning the Entrepreneur of the Year Award.”

*Dan Schimmel, former CEO of OneSource Information Services and an E&Y Entrepreneur of the Year winner in 2001.*

“Given my scars and collective experiences, I would have thought that by now there would be nothing I could learn from a group such as this, but I am amazed at the insights I get from experienced and even newly appointed CEO's... I don't recall ever making a similar endorsement.”

*Gene Robinson, CEO of I-Logix, Inc*

## High-Growth Consulting

“I’ve always been an entrepreneur, and one of the things I learned early on was that I couldn’t get any synergy in my business until I had a group of people working as entrepreneurs together. We have that now at Monster.com as a result of our work with the Catlin & Cookman Group, and we also have a plan in place that will guide our future growth while helping us preserve our unique culture even as we add more and more employees here and around the world.”

*Jeff Taylor, Founder and Chief Monster, Monster.com*

"The Catlin & Cookman Group has been an invaluable partner for Authoria - amazing people and processes for providing insight and peer-review, and for driving powerful ideas into action."

*Tod Loofbourrow, CEO of Authoria Inc.*

“When facing a difficult issue on my management team, or for the company as a whole, a quick call to my Catlin & Cookman Group consultant always provides an enlightened and unbiased point of view that helps bring clarity to the decision that must be made. I consider the Catlin & Cookman Group to be a vital member of my team.”

*John Rizzi, CEO of e-Dialog*

