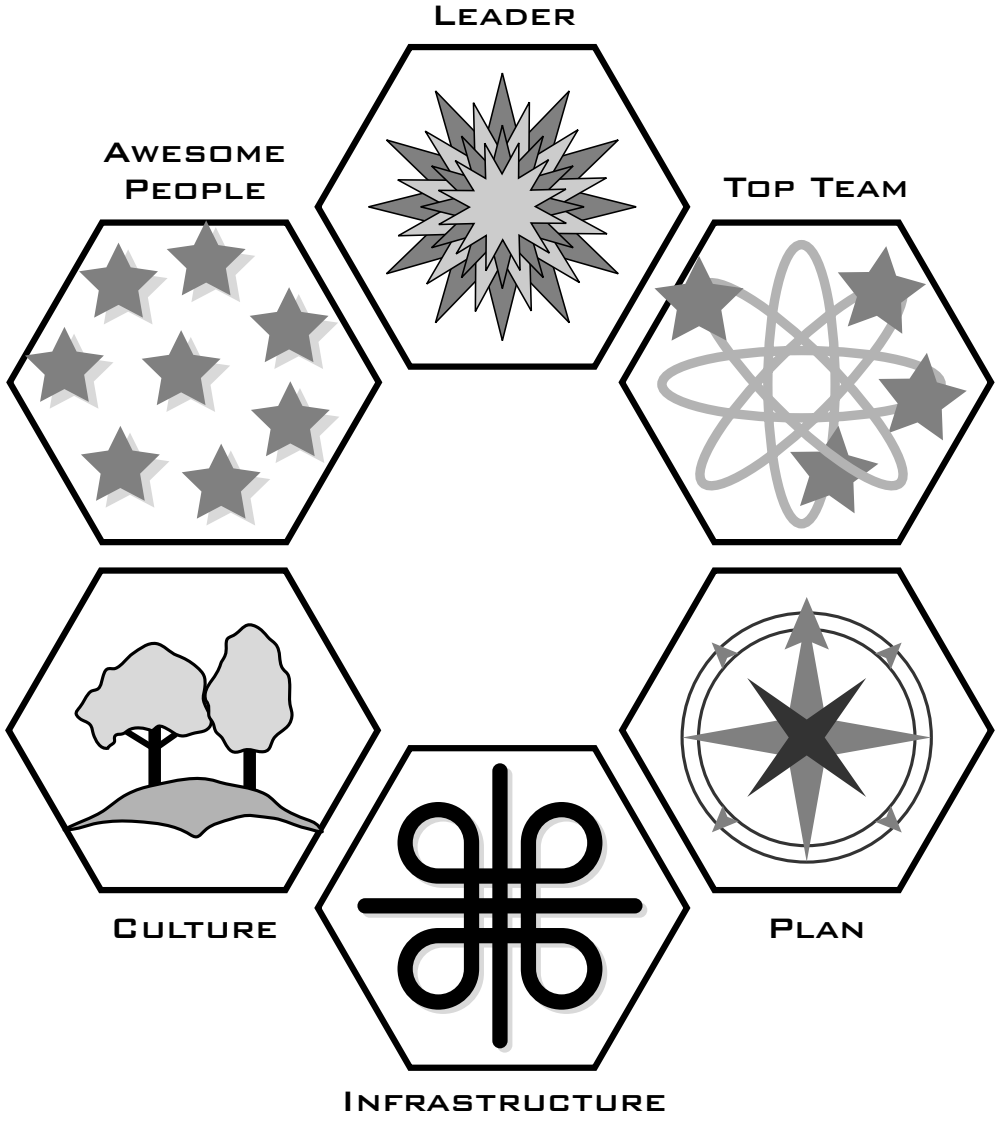


Reprinted from "Building the Awesome Organization: Six Essential Components that Drive Entrepreneurial Growth" by Katherine Catlin and Jana Matthews (Wiley, 2002) ©Kauffman Center for Entrepreneurial Leadership



SIX ESSENTIAL COMPONENTS THAT DRIVE ENTREPRENEURIAL GROWTH

CHAPTER 2

TAKE THE QUIZ: HOW AWESOME IS YOUR ORGANIZATION?

The most successful entrepreneurial leaders are constantly seeking an edge — a way to improve the company’s performance and growth so it can be even better tomorrow than it is today. This chapter gives you a tool — the *Building the Awesome Organization Overview Quiz* — for assessing how awesome your company is. Use the Overview Quiz to establish a baseline regarding how well your organization is operating; work with your top team and create an action plan to address problems, and then track improvements.

You can also use the results of the *Overview Quiz* to help chart your path through this book. Although we’ve organized the chapters in a sequence that makes sense to us, we’ve written each chapter to stand on its own, so it’s not necessary for you to read the chapters in order. If your company’s *Overview Quiz* scores are lowest in the Top Team component, for instance, you can go directly to chapter 7, “Prime Your Top Team for Growth.” If they are lowest in Planning, then the first chapter you might want to read is chapter 6, “Create Your Plan for Growth.” Keep in mind, though, that all the components or building blocks of an awesome organization are interconnected; each one is part of a total system. So eventually you will need to read all the chapters and take all seven *BAO SCANS* in order to get an accurate reading on the “awesomeness” of your organization. As you review the results of each of the *BAO SCANS*, think about what changes you need to make to capitalize on the strengths of your organization and shore up its weaknesses.

- 10. Open, honest, and frequent communication about strategy, goals, issues, and financial performance.
- 11. Encouragement to contribute new ideas and take risks that will make a difference for the company.

- A. We have an awesome corporate culture. Rating: _____
- B. Which statements describe our culture's strengths? Statement #s _____
- C. Which statements describe areas in which our culture is weak? Statement #s _____



AWESOME PEOPLE WHO DRIVE GROWTH

Awesome people have the talents, skills, and expertise your company needs. They share the company's values and are able to handle company growth. They have four basic sets of characteristics:

- 1. They are self-motivated and committed to the mission; they keep the customer first; and they do whatever it takes to get the job done.
- 2. They respect and help others; they are team-oriented; they model company values; and they influence, even inspire, others to achieve great things.
- 3. They are creative problem solvers who take risks, learn from successes and failures, and have great ideas that help the company innovate and grow.
- 4. They are learners, who are able to grow faster than the company and adapt quickly to change.

- A. We attract and retain awesome people. Rating: _____
- B. Which characteristics best match our people's strengths? Statement #s _____
- C. Which characteristics describe situations where our people are less than awesome? Statement #s _____



CLEAR PLAN FOR GROWTH

A written plan provides a long-term and short-term framework for growth and innovation. The plan helps guide decision making and enables everyone to focus on projects, tasks, and activities that lead to achievement of the vision and goals. The plan needs to be developed with input from all levels of the organization so everyone feels ownership and is vested in the success of the plan. It needs to be tracked continuously, adjusted to changing market conditions, and updated annually (at minimum). An effective plan has six parts:

- 1. **Market and Customer Focus:** We understand what’s going on in our market(s) and are meeting our customers’ needs effectively.
- 2. **Mission and Values:** We know what business we are in and what our company is trying to achieve.
- 3. **Vision and Objectives:** Our company’s objectives are well defined.
- 4. **Strategies and Action Plans:** We know what to do to reach those objectives.
- 5. **Infrastructure and Resources:** Our structure and resources are adequate to implement our plans effectively.
- 6. **Culture:** Our cultural environment supports implementation of our plans.

A. Our planning process results in a written plan that describes where we want to go and how the company is going to get there. Rating: _____

B. Which parts of an effective plan from the above list best describe our plan’s strengths? Statement #s _____

C. Which parts of an effective plan from the above list best describe where our plan needs the most work? Statement #s _____



A TOP TEAM THAT LEADS GROWTH

Each top team member has responsibilities in a functional area. But together, the top team must share the leadership of the company with the CEO. They must fully embrace the company’s vision and plan, understand how their roles and functions are integrated, and coordinate their activities across functions to support company growth.

The top team has six major responsibilities for leading growth. The team must:

1. Create and update the company's plan for growth.
 2. Communicate so everyone in the company is on the same page and aligned with the plan.
 3. Develop and protect the company's values and culture.
 4. Attract and retain awesome people.
 5. Manage the top team's dynamics and pitfalls as a model for all teams.
 6. Learn from each other and help each other to succeed.
- A. Our top team is very effective in leading the company. Rating: _____
- B. Which major areas from the above list best describe our top team's strengths? Statement #s _____
- C. Which major areas from the above list best describe the areas in which our top team needs to improve? Statement #s _____



INFRASTRUCTURE WITH ORGANIZATIONAL STRUCTURE AND PROCESSES FOR GROWTH

Successful companies carefully design their organizational structure and develop processes to support growth, embed the mission, vision, and values of the company into the organization, and make it easier to get work done. In order to have an awesome organization, the following four issues regarding organizational structure and process development need to be addressed:

1. **The organizational structure is designed to be customer-centric, efficient, and effective.** It supports the company's plan for growth and clearly defines people's roles, responsibilities, accountabilities, and cross-functional interdependencies.
2. **Processes for Managing and Leading People:** Processes are well established for attracting, recruiting, selecting, and hiring people; orienting and integrating them into the company; managing and reviewing performance; developing people by providing opportunities for continuous learning; fostering team development; developing compensation systems that reinforce

the culture (salary, benefits, rewards, and recognition); and developing succession plans as well as policies and procedures for termination.

3. Processes for Planning and Alignment: Processes are effectively used for planning; for tracking and disseminating market and customer information; for communication; for continuous innovation and improvement; for measurement of performance to objectives; and for policy development.

4. Processes for Management and Control: Processes are developed and used for budgeting and tracking revenues and expenditures, financial management and raising capital, information technology and support, and facilities management.

A. Our infrastructure supports our company’s growth. Rating: _____

B. Which statements best describe the areas of our infrastructure that are the strongest? Statement #s _____

C. Which statements best describe the areas of our infrastructure that need the most work? Statement #s _____



YOU, THE AWESOME LEADER OF GROWTH

Remember, if you are the CEO, you will be evaluating your own performance!

Leadership Tasks: As company leader, the CEO:

1. Sets the company’s direction with a mission, vision, values, and strategic plan.
2. Talks about and makes sure everyone in the company understands and is involved, committed to, and aligned with the mission, vision, values, and strategic plan.
3. Cultivates a high-performance, high-involvement culture.
4. Builds and leads the top management team as a model for all other teams.
5. Manages corporate resources to sustain healthy performance.
6. Designs the organizational structure and processes to fit the culture and strategy.

- 7. Engages in continuous learning for self- and company-improvement.
- 8. Anticipates, initiates, and leads the transitions required for the company's growth.

A. The CEO's performance is consistent with these eight leadership responsibilities. Rating: _____

B. Which statements best describe areas in which the CEO is strongest? Statement #s _____

C. Which statements best describe areas in which the CEO needs to improve his or her effectiveness? Statement #s _____

Leadership Style: Awesome people expect that the CEO, as the company leader:

- 1. Is a thoughtful listener and open, honest communicator.
- 2. Has integrity, does not compromise values, and behaves consistently with values.
- 3. Actively seeks new ideas and is comfortable with change.
- 4. Trusts and respects employees — and shows it.
- 5. Is accessible and promotes rapport.
- 6. Is energetic, optimistic, and excited about the company and its future.
- 7. Genuinely cares for other people and helps them to reach their goals and dreams.
- 8. Fosters teamwork.
- 9. Is a practical visionary, with ambitious but realistic goals.
- 10. Provides opportunities, freedom, and mechanisms for employees to grow and be creative.

A. The CEO exemplifies these leadership style qualities. Rating: _____

B. Which statements best describe areas in which the CEO is strongest? Statement #s _____

C. Which statements best describe areas in which the CEO needs to improve his or her leadership style? Statement #s _____

SCORE SUMMARY AND INTERPRETATION

A Rating Score of **7** in any area indicates this is a prime area of strength that will facilitate and support the company’s growth. Scores of **5** and **6** indicate considerable strength in these areas, but you will want to consider making incremental improvements to increase the score. A score of **4** is a cause for worry. A rating of “Sometimes” indicates a lack of consistency that sends conflicting signals to employees and inhibits growth; thus, significant improvements will be needed. Scores of **3 or below** are big red flags indicating areas or behaviors that hinder the company’s growth and require your immediate attention.

RESULTS ANALYSIS

Look back over the *Building the Awesome Organization Overview Quiz*:

1. List three statements that you rated the highest. Choose those you feel are key strengths and contribute most to the success of the company.

- A. _____
- B. _____
- C. _____

2. List three statements that received the lowest rating. Choose those you feel are the most critical weaknesses and should be targeted for improvement.

- A. _____
- B. _____
- C. _____

3. Write three statements that define your priorities for change (for example, how can we capitalize on the strengths or improve the weaknesses?).

- A. _____
- B. _____
- C. _____

4. List three things our company could do to implement these changes.

- A. _____
- B. _____
- C. _____

ACTION PLAN

Recognize what you and your company are doing well and celebrate! Think about what you have done that enabled you to achieve these great results and how that can be applied to your weaknesses. But, do not overlook areas that need improvement or think they will improve on their own over time. Use these steps to develop your Action Plan for Improvement:

1. Ask your top team to complete the *Building the Awesome Organization Overview Quiz* and the Results Analysis. You may also want others in the company to complete the *Quiz* to get more comprehensive feedback.
2. Meet with your top team to:
 - Compare and contrast your ratings on various statements with their ratings, as well as areas you have identified as strengths with those needing work.
 - If applicable, discuss the reasons why their responses are different from yours.
 - Agree on areas for improvement or change; be as specific as possible.
3. Prioritize those areas that must be addressed and will make the biggest difference. Develop them into Action Plans for Improvement.
4. Get consensus on the Action Plans and the resources and budgets needed to make the necessary changes.
 - For each Action Plan, specify the goal, desired outcomes, steps to take, team members responsible for implementation, resources required, key measures of success, and the time frames for achieving the goal and tracking results.
 - Assign a cross-functional team to implement each Action Plan. Include members from different departments who will be affected by the changes. Members should have the necessary skills and insights to accomplish the plan. Identify a team leader and/or executive sponsor who will be held accountable for managing the team, tracking progress, and achieving the desired goal.
5. Communicate the Action Plans for Improvement to everyone in the company. Get involvement, input, and feedback.
6. Hold yourself and others accountable for achieving the new goals and milestones.
7. After a designated period of time (three to six months), evaluate progress, identify new or emerging problems or opportunities, set new goals, make new team assignments (if appropriate), and take action. In a year, retake the *Building the Awesome Organization Overview Quiz* and repeat Steps 1 through 6 as required. Remember that continuous assessment, action, and improvement are essential to building an awesome organization that is strong enough to support continuous growth.



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.*

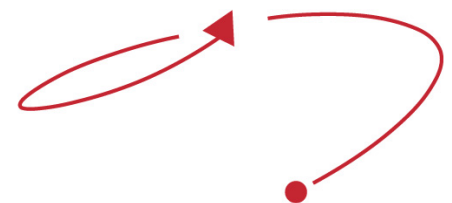
Thought Leadership

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 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

