"STRATEGIC PLANNING FOR THE MIDDLE MARKET CEO"

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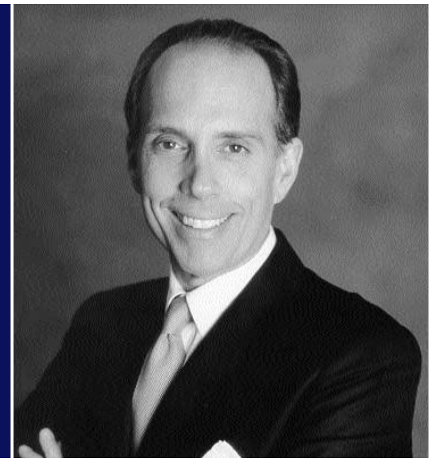

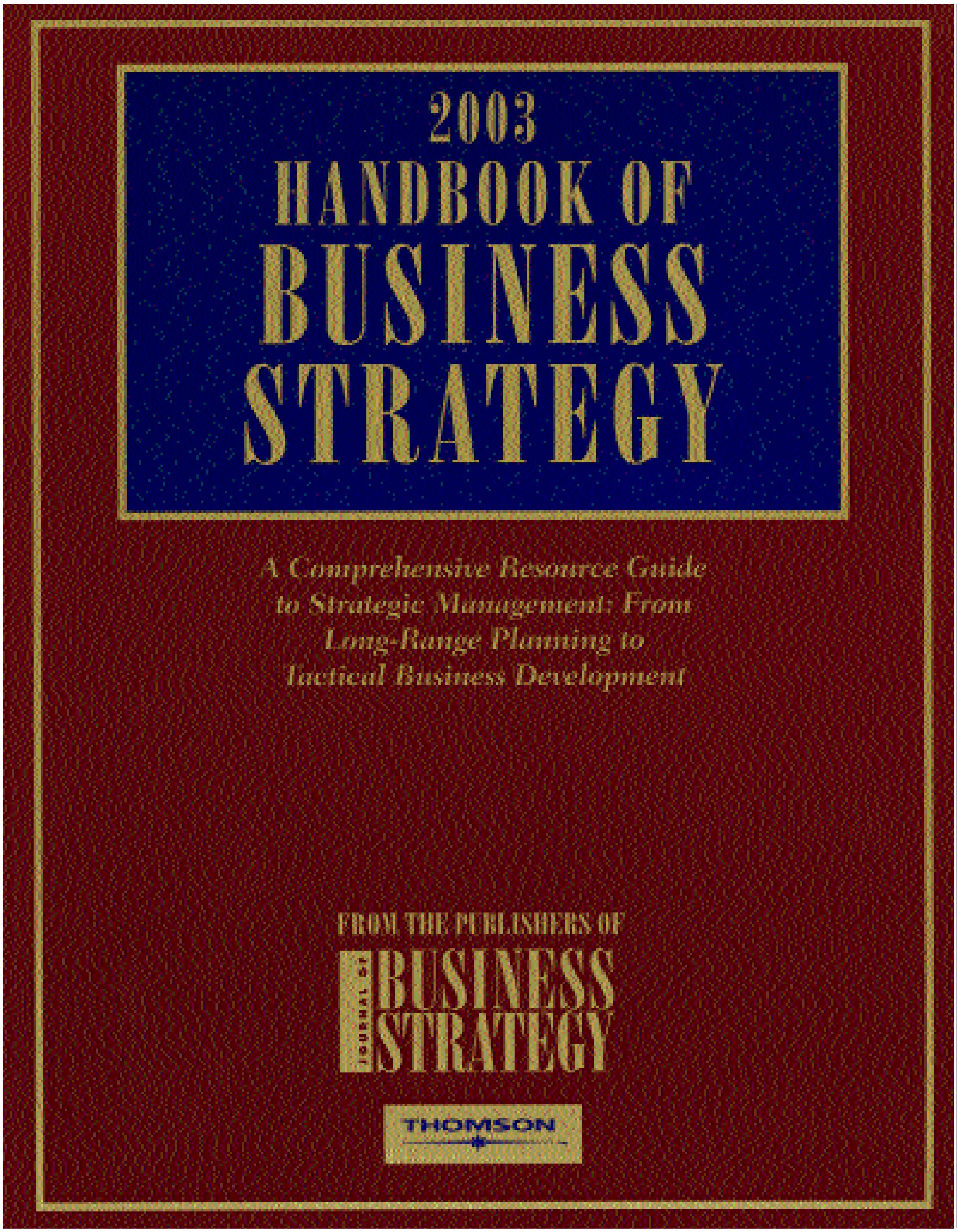

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Strategic Planning for the Middle-Market CEO

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Here are six tips for avoiding common mistakes in middle-market strategic planning.

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At one time or another, most CEOs find themselves peering out their bedroom windows at 3:00 a.m., wondering if they are leading their companies in the right direction. This insomnia comes with the territory of the corporate CEO and is usually the only time when he or she is able to think about "the big picture," otherwise known as corporate strategy. It is a journey that takes most CEOs down a lonely road in their attempt to devise effective methods for developing the right corporate strategy.

The reality is that CEOs have to deal with the daily pressures of running their companies, while simultaneously being visionaries and prophets. Short-term operating issues demand their attention during the workday, and then they must miraculously turn into long-term, creative, out-of-the-box strategic thinkers—a transformation that often occurs in those pre-dawn hours.

Even if they do not find themselves awake at night, middle-market CEOs constantly face almost impossible mental shifts. Developing an effective corporate strategy involves a combination of right- and left-brain activity, which includes abstract and specific thinking, with a strong emphasis on the abstract. The best corporate strategists are out-of-the-box, abstract thinkers, with experience in business operating issues including marketing, sales, operations, production, finance, accounting, capital markets, human resources, and compensation.

In reality, a very small percentage of the U.S. population can effectively think in the abstract. And within the ranks of middle-market CEOs, the percentage is almost insignificant, because most CEOs have reached the "executive suite" by effectively reacting to operating problems and solving them. Unfortunately, most middle-market CEOs see themselves as generalists, that is, "all things to all people." In reality, however, it is very difficult for most CEOs to shift their thinking back and forth from specific to abstract, because each mental process requires a different lobe of the brain. And it is particularly difficult for CEOs involved in daily operations, especially because their left brains are at work all day reacting to and processing operating problems. (This response is often stressful, which intensifies the brain's learned response). It is a bit easier to make the mental shift at three in the morning than at two in the afternoon, during the workday, because in the middle of the night, the brain has been resting, so the mental shift is easier.

MOST MIDDLE-MARKET COMPANIES DO LITTLE OR NO STRATEGIC PLANNING

Most *Fortune* 500 companies approach strategy development more effectively than middle-market companies, whose CEOs are so focused on operations that they relegate strategy development to a low priority. This is because most *Fortune* 500 companies are leaders in their markets, and they are constantly developing and redeveloping strategies to maintain their leading positions. To remain dominant, excellent strategy development and planning must be ingrained in their corporate cultures. Second, *Fortune* 500 CEOs have more infrastructure beneath them. Their dominant function is usually to lead strategy development, so, in general, their stated function is less focused on operations and more focused on strategy. Third, they have the economic resources to employ well-known strategic consulting firms like McKinsey & Co., Bain & Co., and Boston Consulting for "out-of-the-box" strategy development. But at a minimum monthly cost of $250,000 to $300,000 for a basic team, such an option is not cost effective for most middle-market companies.

Conversely, middle-market companies are usually in niche positions in their markets, and there is a perception that their market niches are somewhat protected. This belief comes from the notion that because middle-market companies are usually smaller, they are not very visible to their more sophisticated competition. Because middle-market companies have relatively limited economic resources, their CEOs commit little if any time, effort, or money to strategy development and strategic planning. This is a huge error in the New Economy. Middle-market CEOs are going to have to elevate strategy development and strategic planning to the same relative level of importance that *Fortune* 500 CEOs do. To accomplish this change, they must shift their corporate cultures from the "reactive" to the "proactive."

The best corporate strategists are out-of-the-box, abstract thinkers.

Barnes & Noble was the market leader in the very cutthroat, competitive environment of retail bookstores. To effectively compete with B. Dalton and Walden Books, the company focused on "best practices," that is, maximizing operational efficiencies in every functional area. It developed tactics to improve daily operations such as purchasing, real-time point-of-sale information systems and inventory control, sales techniques, demographic data for store location, and employee training. But with such a heavy emphasis on maximizing the efficiencies of its operations, it failed to focus on the "light at the end of the tunnel" (the Internet), which turned out to be a "freight train" called Amazon.com. Barnes & Noble had excellent, competitive operating business practices, but it was not open to the Internet as a distribution channel for selling books. Barnes & Noble management was comprised of retail bookstore people. They were not cultural philosophers, nor were they electronic communications experts, so they missed the trend. The upshot is that Amazon.com has carved out an 8 percent share of the U.S. retail book market in a very short time, and its share is still growing.

There are six key realities facing today's CEOs as they restructure their thinking about the development and execution of their companies' strategic planning processes.

1. RECOGNIZE THAT STRATEGY IS TODAY'S DOMINANT BUSINESS DRIVER

It's also the CEO's most important opportunity to create a competitive edge.

In the New Economy, using operational best practices is a necessity. Today's managements are better educated, operating systems are more sophisticated, and both are available to all middle-market companies. Since few middle-market CEOs have embraced high-powered strategic development as *Fortune* 500 companies have, the greatest competitive edge lies in the realm of strategy—not operational improvements. This is not to say that maximizing operational efficiencies is not important. It is very important; however, operating management sophistication and systems are greater than they were 30 years ago. The real opportunity to create a meaningful competitive edge lies in the realm of strategy development and strategic planning, both of which most middle-market companies practice very poorly.

The reason this strategic competitive edge is so wide open today lies in what has occurred in the lives of today's CEOs over the past 30 years. People who entered the work force around the 1970s post-Vietnam era between ages 21 and 27 are now in their early to late fifties. Those who developed their careers well are now in top management. As captains of industry, they are company leaders and contributors to their corporate strategies.

For today's business leaders, however, a major disconnect exists because the playing field has been transformed. The emphasis on operational best practices that carried them to the top over the past 30 years will not work now, nor will it work over the next 30 years. The reason is simple. Business education in the 1970s was geared almost entirely toward best practices thinking, not strategy. This situation occurred because the post-World War II emphasis was on maximizing manufacturing and operations efficiencies. Managements worked under a system of corporate rewards and punishments, which was weighted toward operational improvement. Maximizing marketing, selling, operating, producing, accounting, financing, and employee productivity was what the economy required. For the past 30 years, to meet the challenges of global competition, the U.S. has been undergoing an economic restructuring by region, industry, and company. So, over these past three decades, business has been dominated by best practices, not strategy. This emphasis on operational best practices helped our generation of managers succeed in restructuring the U.S. economy.

The United States is the most productive country in the world, but today's business environment has dramatically changed. If today's business leaders (the MBAs of the 1970s) do not make a major shift toward heavily emphasizing strategy, market positioning, and value creation, they will surely fail their boards and their shareholders. Those CEOs who do not make the shift toward moving significant economic and human resources to strategy development and strategic planning are going to be overseeing companies with a competitive disadvantage, thus handing the competitive edge to the competition on a silver platter.

Poorly designed strategic plans are worse than no strategic plans.

The major office supply retailers like Staples and Office Depot have essentially transformed the way we buy office supplies. They were the "first movers" in the office supplies mega-store arena. Fifteen years ago, there were local office supply stores everywhere. Today those that exist are hanging on by a thread. Staples was not thinking how the chain could maximize office supply operations. Management set out to redesign the entire concept of office supply retail stores. The absolute requirement for operational excellence is present in the office supply mega-stores, but the out-of-the-box strategy came first. Operational excellence was a given. The CEO did not spend hours attending meetings concerning the development of the point-of-sale computerized information system. The company set out to destroy the fragmented, niche vendors, and it succeeded.

A perfect example of a successful strategic shift has recently been the United States military. Witness the strategy shift in the military's execution of the war in Afghanistan versus its unsuccessful effort in the Vietnam War 30 years ago. During the Vietnam War a hierarchical, centralized, and lethargic military threw massive amounts of men, money, and materiel against a vastly inferior enemy; however, the Viet Cong waged a fast-mov-

MAJOR TRENDS AFFECTING BUSINESS

Old Industry Era (Late 1880s-1990s)	New Information Era (2000 and beyond)
Best Practices Driven	Strategy Driven
Limited Options	Multiple Options
Speed of Change—Comfortable	Speed of Change—Breathtaking
Good Idea Lasted 10-15 Years	Good Idea Lasts Six Months
National	Global
Centralization	Decentralization
Management Competency Required—C	Management Competency Required—A+
Emphasis—Improving Efficiency in Manufacturing Process	Emphasis—Transforming Marketing and Distribution
Hierarchies	Networks and Virtual Organizations
Communication—Paper & Voice	Communications Revolution
Cold War	Limited War
Limited Capital Available	Historical Amounts of Capital Available

ing guerilla "hit and run" strategy and won. The U.S. lost.

Today the military has shifted its strategy and tactics. The Afghan War is being executed by a relatively small "hit and run" tactical approach by highly trained Special Forces personnel. The strategy of the new warfare has perfected the tactics of the guerilla war by adding superior technology and well-trained soldiers and dominating each engagement.

2. DON'T UNDERESTIMATE THE EFFECTS OF MAJOR WORLD TRENDS

If middle-market CEOs underestimate the major world trends affecting their businesses, they will find the revenues and profit margins of their companies to be more and more difficult to attain. Some trends are in the early stages of their cycles, and some are in the later stages. It is important to remember that most of the major world trends do not affect businesses immediately. The negative forces occur imperceptibly slowly. It is like being "pecked to death by ducks." All the CEO perceive is that revenue and profit levels are more and more difficult to achieve. For this reason, CEOs must be proactive in dealing with the major world trends so that these trends evolve into opportunities—rather than later becoming threats.

The list of major trends affecting businesses today represents critical drivers in and of themselves (see sidebar). Printing companies, for example, will require the same hour-by-hour updates of competitive price changes that the commercial airline markets require. Today medium to large printing bids are quoted on the Internet; an active and instantaneous auction process takes place among the most sophisticated competitors, and the printing purchase order is cut online. This process was unheard of 36 months ago. If a printing company CEO's day is still mired in the muck of daily operating problems, this streamlined auction process (which will quickly become standard operating procedure for 90 percent of all printing jobs) will pass her by. It is too easy, for example, for manufacturing-oriented CEOs to reside in their comfort zones, continually focusing on perfecting their manufacturing processes, and forget that marketing and distribution methods are going through a revolutionary shift.

3. RECOGNIZE AND MASTER INTERNAL TRENDS

It is important to be aware of the trends affecting business at the company level (see sidebar). CEOs must take a proactive approach toward recognizing and mastering company-level trends and turning them into opportunities so they do not later turn out to be threats.

4. DON'T ASSUME MANAGEMENT ALONE CAN BUILD EFFECTIVE STRATEGIC PLANS

To benefit from strategy development and strategic planning, CEOs need a totally objective form of intervention—call it "a new pair of glasses." Operating managers at Barnes & Noble developed a great operating plan, but they overlooked an opportunity, which was outside their knowledge base and experience. As a result that opportunity became a threat.

Poorly designed strategic plans are worse than no strategic plans because they can organize and direct companies on highly organized "marches into the sea." If a company has a highly organized, poorly designed strategy, the strategic plan and resulting tactics are just going to get the company to the wrong place faster and more efficiently.

You cannot do effective strategic planning with input from in-house operating management only. Internal managers are too involved in daily operations to think as creatively or objectively as is necessary in today's strategy-intensive business environment. Their emotional loyalty to the "way things are" is too strong. For example, how likely is it that a vice president of manufacturing, who has run the company production plant for 20 years, is going to devise or support a strategy that calls for all company manufacturing operations to be closed down and goods to be purchased from two Asian strategic alliance contract manufacturing operations? For a myriad of reasons, the money saved by not bringing in an outside, objective strategic thinker can be wasted on creating the wrong strategy and resulting tactics.

This all too common perception of developing corporate strategy is analogous to a married couple having marital difficulties choosing to facilitate their own marriage counseling. They are too close to the problem, and, quite simply, it does not work.

Xerox is the perfect example of an entrenched, "not born here" culture—one that created barriers to outside thinking from the board of directors on down the organization. Neither the CEO nor the board was comfortable with anyone outside the organization. In the early 1970s Xerox dominated the office copier market. Today the company's share has dwindled to 23 percent and is now in second place behind Canon. Xerox is a company in trouble. The company's strategic errors have not only allowed competition to capitalize on Xerox's lack of creative market strategies, but also to lose their most creative talent—employees who chose to take their ideas and intelligence to competitors.

An excellent strategic planning process requires an intellectually honest pursuit of truth based upon rigorous logic. Everyone knows that it is human nature to get too close to a problem and lose objectivity. For this reason writers have editors, sports stars have coaches, and actors have directors. Yet many middle-market CEOs believe they are exempt from the same human tendency.

Most of today's CEOs who are now in their fifties must retool their whole philosophy of business, including how they spend their time and where they place their emphasis. They must either become instant, creative, "out-of-the-box" strategists, which is virtually impossible, or they must accept that they cannot be "all things to all people." In this case, they must become comfortable with choosing strategic advisors who are capable of viewing the companies with an objective, abstract, "out-of-the-box" eye and a clear understanding of world and company-level trends.

TRENDS AFFECTING BUSINESSES AT THE COMPANY LEVEL

- The need to be a dominant player or first mover in the defined market. Others will struggle. Capital markets will not follow the #2 or #3 competitor.
- The recognition that market niches used to be protected but are not now.
- The reduced value of the middleman because of the increasing direct relationship and/or communication between the customer and the supplier.
- The collapse of administrative layers.
- The shift to decentralized and flatter organizations.
- The increased speed of business that requires 24/7 access.
- The "paperless commerce" that requires immediate and actionable information in real time.
- The recognition that left-brain corporate activities will be automated.
- The relocation of higher labor content businesses to off-shore locations.
- The downward pressure on profit margins.
- The acknowledgement that business is becoming a profession with high performance expectations.
- The structural movement toward variable cost operations.
- The de-emphasis on owning assets. Markets tend to shift before assets are fully paid.

5. DON'T DELEGATE STRATEGIC DEVELOPMENT TO THE LOWEST BIDDER

Many middle-market CEOs carry into their planning process a theory that worked very well in the operational best practices business environment of the past 30 years. That concept is the following:

"Assuming equal quality, it is best to purchase goods and services for the lowest price possible."

This principle sounds logical, but it has no place in the realm of strategy development. Strategy development and the resulting strategic plan drive the entire business. Half measures are costly because programs, capital expenditures, operating plans, and budgets are all driven by the strategic plan. Accordingly, they require the highest quality effort—not the cheapest. The engagement of an effective strategic planning advisor is not the same as purchasing raw materials or buying liability insurance. One cannot "assume equal quality" in strategic development. Often CEOs invite strategic planning consultants to a "beauty contest"; they screen out the ones whose chemistry does not fit, and they often make the final decision on the basis of price. In addition, many CEOs limit their definition of strategic development to a two-day strategic planning retreat in which top management goes off-site for 12 hours a day to run through a strategic planning model facilitated by a strategic planning consultant. This definition of strategic development is an operating manager's definition and falls short of what is really necessary.

The needs of each company are different. The strategic planning process should be designed for the specific needs of the company. This is a critical truth. Neither a canned strategic planning retreat nor choosing a strategic planning process based upon price is going to be sufficient for the critically important strategic needs of most companies in the New Economy.

The strategic planning retreat is sufficient for a company that needs only to tie together its corporate mission, the chosen strategic option, and operating tactics. The management "get-away" works only if all the company needs is to mine all of the ideas within the operating management. But the retreat will absolutely not uncover threats or opportunities like those Barnes & Noble or Xerox faced, and it is completely insufficient if the company must be strategically transformed into serving different markets with different services or products requiring a different organization.

It is important to remember that at a certain point in time, the concept of selling books and CDs through the Internet was both a threat and an opportunity for Barnes & Noble. The issue of whether it was a threat or an opportunity depended upon the timing of when company management recognized it as a possibility. In the case of Barnes & Noble, the company recognized it too late. Now, much to the chagrin of shareholders and employees, it is a threat.

Business education in the 1970s was geared toward best practices, not strategy.

One example of how a minimum cost, off-the-shelf strategic planning retreat would not have solved complex market strategy issues comes from Yellow Corporation. Yellow Corporation, an LTL ("less than truckload") trucking company, is a company that has completely transformed its market strategy since 1996, when it had $30 million in losses, a second round of layoffs, and a recent Teamsters strike. Today, it is a success story in an industry plagued by the problems of deregulation and Old Economy thinking. The new CEO spent 18 months "getting close to customers." He traveled to many of the company's 377 terminals. He personally interviewed employees. He met with customers, he asked them what they needed, and he transformed the organization from an Old Economy company focused on the constraints of its operating infrastructure to a company focused on the flexible needs of customers.

The new CEO redesigned Yellow and brought "a new pair of glasses" to the company. He knew that the lowest cost strategic planning retreat would not have succeeded at Yellow. The answers were quite simply outside the knowledge base of the management team. The customers knew the answers because their needs of dependable shipping and delivery schedules were clear, and they were not opposed to paying higher shipping costs if their trucking company would meet those needs. The customer service representatives had the answers because they listened to irate customers all day when they could not meet their needs. The cost and time commitment required to develop a customer-driven strategy for Yellow went far beyond a simple strategic planning retreat. And there was no way to make Yellow's strategic transformation a "lowest cost" strategic transformation project.

At Yellow, the new CEO was actually involved in the field interview work. Most CEOs cannot commit to such a time-consuming effort. They must access the assistance of an outside resource, whose data gathering and hypothesis development are not constrained by too much operating knowledge of the business or industry—someone who is not constrained by "what is" and who sees "what can be." It was a costly and time-consuming effort to interview many customers and employees to gain an understanding of the problems at the point of sale. But for Yellow there was no cheap alternative. The cheap alternative would have been no alternative at all.

It simply does not work to try to save money by asking internal operating management to develop the strategic plan alone. Nor does it work to limit the definition of strategy development to a strategic planning retreat. And it is much too important an undertaking to farm out to the lowest bidder.

If a CEO had the need for heart bypass surgery, would he ask a few doctors into a "beauty contest," screen out the ones whose chemistry does not fit, and make the decision on the basis of lowest price? It's not likely. Similarly, in the New Economy developing the right strategy for a company is a life and death issue for the business, and you must treat it as such.

Neither a canned strategic planning retreat nor choosing a planning process based on price is a good idea.

6. DON'T CONFUSE "MISSION-TO-TACTICS" STRATEGIC PLANNING AND STRATEGIC TRANSFORMATION

Strategic planning is developing a strategy for a company. Putting aside strategies necessary to companies in financial crisis, which require survival strategies relating to rapidly creating cash, there are two separate strategy development processes, the choice of which relates to the needs of the company. The two strategy development methods are "mission-to-tactics" strategic planning and strategic transformation, and they are very different in scope and complexity. Too many middle-market CEOs confuse the two methods.

"Mission-to-tactics" strategic planning. Companies that require "mission-to-tactics" strategic planning are those whose corporate mission is very clear. For example, it is clear that the restaurant chain, P.F. Chang's mission is to roll out its successful Chinese restaurant concept throughout the United States into markets where the demographics will support such a restaurant. It is also clear that a dominant, branded U.S. Chinese fast food restaurant chain does not exist, so P. F. Chang's created a subsidiary called Pei Wei Asian Diners. The company has tested the concept and is now rolling out units at a quickening pace to dominate the Chinese fast food market in the United States.

The corporate mission of P.F. Chang's is very clear, and it will be so for some time to come. Therefore, P.F. Chang's can use a "mission-to-tactics" strategic planning process. While the mission is clear, a process must focus on tying together (1) the corporate mission, (2) qualitative and quantitative shifts, (3) the chosen strategic option, and (4) the resulting functional tactics.

Another example of "mission-to-tactics" strategic planning comes from Ford. It is clear that Ford is in the automobile business. Superior profitability will come from differentiation and relative cost position. Therefore, the substance of its strategy is to differentiate its markets, develop and position products within those market segments, market better, and do everything necessary to drive cost out of the manufacturing process through better product development and manufacturing processes, strategic alliances, and distribution processes.

P.F. Chang's and Ford do not need to strategically transform or reengineer their companies. They may need to reengineer operations, but they do not need to reengineer the strategy. Therefore, what they need is development and management buy-in of a "mission-to-tactics" strategic plan.

One "mission-to-tactics" strategic planning model is the Focus Diagnostic Model©. It includes the following steps:

- Develop corporate mission statement;
- Develop corporate culture statement;
- Identify strengths, weaknesses, threats, and opportunities;
- Reach consensus on "where are we now?" and "where are we taking the business?" and "over what planning time frame (one year, two years, five years, etc.) for the following qualitative shifts (such as product or service, product or service by market segment, market mix, competitive threats by market segment and by competitor, service positioning strategy for each threat, technology, pricing, organization chart, people, lines of responsibility, facilities, equipment) and quantitative shifts (such as quantitative measures, cash flow, profits, ROI, ROE, ROAE, reporting needs, timing of reports, "who needs to see what and when," financial ratio comparisons);
- Develop a positioning statement;
- Develop strategic options—pros and cons;
- Reach consensus on adoption of chosen strategic option;
- Develop the functional tactics; and
- Develop the timetable for completion of functional tactics.

Strategic Transformation. Strategic transformation is necessary for companies whose operating business model has become outdated or is under direct attack or potential attack from competition or technology. The Barnes & Noble example illustrates the problem.

The strategic transformation process can eventually use the "mission-to-tactics" model; however, if the company's business model is vulnerable or the mission is not clear, it is critical to do significant "front-end" work to develop new, out-of-the-box strategies.

Some companies' strategies are not clear because, for example, customer buying patterns have changed, there is production overcapacity in the market, or the company is dependent upon interest rates, or because of the highly cyclical nature of some industries. Companies competing in mature markets or industries or that face such obvious threats need more emphasis on a strategic transformation process, which designs the makeover of the company. For example, companies in the electronic manufacturing industry built massive production capacity during the 1990s to meet the needs of the personal computer explosion and the Internet. Now personal computer growth is leveling off, and technology is making the infrastructure of the Internet more efficient. As a result, electronics manufacturers are experiencing overcapacity, decreased revenues, lower profit margins, and losses. These companies can either wait for the turnaround, which is never coming, or they can strategically transform themselves in a way that uses the company's strengths and redeploys their remaining capital resources.

Middle-market CEOs must elevate strategic planning to the same level that Fortune 500 CEOs do.

Strategic transformation is much more involved than the "mission-to-tactics" strategic planning process. It involves abstract, "out-of-the-box" thinking and development of a new vision and mission for the company. As part of the process, the Focus Diagnostic© Strategic Planning Model is useful for a small part of the strategy development process. In the strategic transformation process, however, there is a significant amount of research and interviews with employees, customers, Wall Street research analysts, etc. to develop strategic hypotheses. Then the CEO can create a newly redesigned company and mission. Because the needs of each company are different, CEOs and their advisors should design a strategic planning process specifically for the needs of the company.

THE BOTTOM LINE: PERCEPTION AND REALITY

Old Economy CEOs hoped that when the dotcoms all imploded, the New Economy would be revealed as a concept that the press had created and was no longer an important factor in the lives of our businesses. Nothing could be farther from the truth.

Consider this example. A dominant hair and nail care distributor in the United States has a catalog with 2,000 items. The company buys hairspray, scissors, combs, nail care furniture, etc. from manufacturers all over the world, and its territory sales force calls on hair and nail salons all over the United States taking orders. Before the general use of the Internet, the distributor's business was pretty safe, provided it focused on all the normal operational best practices.

Then the owner of a mom-and-pop nail salon in Los Angeles found the Web site of a scissors manufacturer in Denmark (which was advertised in trade magazines), and she started placing her scissors orders on the Web directly without telling the distributor. She paid a lower price per unit with her small business Visa card, and the scissors arrived within five days by DHL.

All the distributor knows is that more and more items in the company catalog are in less and less demand. This trend is only a few years old, but it will become a ground swell. Setting up a Web site and selling its items via the Internet will not be enough for this company. In the New Economy major shifts in marketing and distribution have already taken place and have left this distributor in the dark. Perfecting "pick and pack" and bar coding systems is not where this CEO should be spending his time and resources.

There are major world trends affecting this distribution company, and there are trends at the company level that are negatively affecting it too. The CEO needs remedial strategic intervention from someone who sees the whole business with a different pair of glasses. Internal operating management will not have the answers, because the answers may lie in completely transforming the business. The distributor's most important strength is the company's relationships with the mom-and-pop hair and nail care salons, which are diminishing. The CEO needs to seek outside help to devise an entirely new "out-of-the-box" business model. The company may not survive as a distributor, but with the right kind of strategic work and guidance, the company can transform itself.

Developing the right strategy for a company is a life and death issue.

If the CEO of this distributorship alters his mind-set and decides to allocate relatively heavy resources to strategy development and strategic transformation, he may save the business. If he uses the operational faculties that have served him well over the years, calls in the industry consultant he knows from his trade association, and allows him to facilitate a strategic planning retreat with the operating managers, he probably won't.

This shift is not an easy one for middle-market CEOs with 20 years or more of business experience. But the urgency is there. It is a question of who grabs the golden ring and who does not. The truth is, most of us know how to climb up and down a ladder better than anyone we know, but if the ladder is up against the wrong wall, all we are doing is climbing up and down a ladder. ●

"We can't solve problems by using the same kind of thinking we used when we created them."
– Albert Einstein

Alfred Moran

Alfred Moran is Chairman and Chief Executive Officer of The Moran Group, LLC, a Value Creation, Crisis Management and Turnaround consulting firm specializing in strategic, operational and financial turnarounds and Interim CEO engagements. For many years he was a Senior Managing Director and Partner of Kibel Green, Inc., the leading Value Creation, Interim CEO, Turnaround, Restructure, Strategic Breakthrough consulting firm in the Western United States. Alfred Moran is a seasoned Professional Chief Executive Officer and Value Creation Consultant with over 35 years experience in building and enhancing shareholder value for companies ranging in annual sales of $3.0 Million to $2.3 Billion. He has been CEO of public and private companies and has provided professional assistance to the boards and CEOs of many companies in diversified industries. He is personally credited with the turnaround and/or value enhancement of 50 companies. He is often recruited to be CEO of client companies. He has extensive leadership experience in many industry sectors, including manufacturing, design and engineering, energy services, entertainment, life sciences, high technology, services, real estate, software, telecommunications, fast food, wholesale food and financial services, which allows him to cross pollinate the strategies of one sector with the strategies of another sector.

Alfred is currently a member of the Board of Directors and Chairman of the Audit Committee of Cornell Companies, Inc. (NYSE:CRN), an owner and manager of 80 private prisons throughout the United States. Alfred was recently Chief Restructure Officer of Cooperheat MQS, headquartered in Houston with 33 offices throughout the United States and Canada. He has been CEO of Microelectronic Packaging, Inc. (NASDAQ:MPIX), which was sole source to Intel and Schlumberger. As Chairman, President and CEO, he founded SeraCare, Inc. (AMEX:SRK), a public national hyper-immune blood plasma company, which was sold to Grifols, S.A. for US$116.0 Million. As President and COO, he stabilized and grew WET, Inc., which creates, designs, engineers and builds high tech, entertainment Water Features worldwide including Disney Theme Parks, Universal Studios Theme Parks, Salt Lake Winter Olympics Flame, Rockefeller Center, Tokyo Dome, Texas Medical Center, Houston Galleria and many others. The largest was the famous $66.0 Million Water Feature at the Bellagio Hotel in Las Vegas. He has worked extensively in Asia, Europe and Latin America. He was a partner of Coenen and Company, Inc., a NYSE Member Investment Banking and Institutional Brokerage firm in New York City.

He has an MBA from the Harvard Business School and a BA in Philosophy and Psychology from the University of North Carolina at Chapel Hill. He is a Member of World Presidents Organization in Houston, Texas and is a WPO and YPO Resource Speaker.