

BOOK

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What Great CEOs Recommend: Practical How-To Advice from Successful CEOs

Insights and book picks from 20 leading CEOs
+ Practical CEO Tip Sheets from MacKay CEO Forums



MacKay CEO Forums

Accelerating CEO Performance through the highest impact, least time-intensive peer group for results-oriented CEOs across Canada

Introduction

This compilation of CEO interviews was created exclusively by and for MacKay CEO Forums members. The interviews were originally published in the MacKay CEO Forums monthly newsletter The CEO Edge.

We gratefully acknowledge our twenty CEOs for taking the time to share their insights and for making these interviews available for the benefit of all CEOs and Executives. These are candid, unedited interviews – responses to questions posed are presented in the CEOs' own words.

It is our honour to work with exceptional leaders on a daily basis and to share the benefits of peer learning with our ever-growing community of CEOs. We hope you enjoy this best practice experience sharing as a preview or complement to your own peer learning journey.



About MacKay CEO Forums

MacKay CEO Forums accelerates CEO and Executive Performance through the highest impact, least time-intensive peer group for CEOs and top executives. We provide results-oriented, professionally led, peer learning groups for CEOs and Executives across Canada.

Our forums enable exceptional leaders to surround themselves with successful peers who help them to become better CEOs and accelerate their business results while enhancing their personal well-being.

Our Forum Chairs are all highly skilled and trusted advisors, expert facilitators and experienced business leaders who share a passion for helping CEOs and their companies accelerate performance.



Nancy MacKay CEO & Founder

MacKay CEO Forums is led by Founder and CEO, Dr. Nancy MacKay. A highly regarded CEO Coach, dynamic keynote speaker and published author, Nancy's vision, drive and dedication is reflected in the firm's enviable growth and member loyalty.

Nancy is a strong advocate for recognizing the incredible CEO talent that exists in Canada. MacKay CEO Forums is an alliance partner with the Deloitte Canada's Best Managed Companies Program and the Waterstone Canada's 10 Most Admired Corporate Cultures Program.

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STRATEGY & RESULTS

HOW TO BE STRATEGICALLY FOCUSED

Paul Hollands, President & CEO, A&W Restaurants

Why do you consider A&W to be a strategically focused company?

Since the mid 1970s, A&W has been a strategically driven company. Because we are in a market where there is constant change and powerful, well-funded competitors, it is critical that the business continually renew itself strategically. As a result over the past 40 years, with the help of Bob Johnson, a consultant who invented the Trenditions Strategic Renewal process, A&W has become very good at renewing itself. My predecessor, Jeff Mooney, was a maniac about ensuring that A&W was constantly renewing itself, and as a result the organization has developed a great strength in this area. Today, at A&W, almost nothing gets "on the agenda" for the business, unless it in some way supports our strategy. We are really tough minded about only deploying our scarce resources to activities that are strategic to the businesses success.

What are you doing as the CEO to be strategically focused?

Never forget that, as the CEO, if you don't worry about the strategic success of the business, no one in the organization will. To that end, the single most important responsibility that I have is to ensure that the company has a clear powerful strategy and that we are implementing it effectively.

How much time do you and your executive team spend on strategy-related activities?

We have never actually done an "audit" of how much time we spend on "strategy" but it is a lot. Every three years we create a new corporate strategy. This exercise takes at least 20 working days of our key team, between the size-up work, through to the strategy sessions themselves. The team meets every quarter for a full day to review the implementation of our corporate strategy. In addition, we have sub-strategies for various parts of the business. Each one usually involves two to three of the senior team members to create and takes between six and 12 days to develop. On top of this we invest very heavily to communicate the strategy throughout the whole organization so that we have high alignment and support. In summary, strategy creation, management or communication is one of the top time demands on a senior executive at A&W.



What is your favourite book pick on this topic?

Hands down, my favourite book in this area is [Leading Change](#) by John Kotter. Strategy is fundamentally about making change in your organization, and John outlines the principals of this better than anyone else.



STRATEGY & RESULTS

HOW TO MAXIMIZE BUSINESS VALUE

Bill Tucker, CEO, and Cameron Kemp, Chairman, Omicron

What is the most important thing you to do maximize business value at Omicron?

The most important thing we do to maximize business value is ensure we produce long-term, steady and sustained profit from each part of the business - which is obvious, but for us it's always a question of "HOW". Fundamentally, we believe this involves three key actions:

1. Systemizing processes, procedures and governance to ensure consistency and predictability
2. Building long-term relationships with customers. Traditionally our industry has been transactional however we believe in building long-term relationships with clients and avoiding one off project engagements
3. Creating high performance teams through active recruitment, mentoring and coaching

What gets in the way of maximizing business value?

Ever-changing market forces such as new competitors, technology and business cycles. In our business we embrace change knowing that if we are not trying new things or anticipating changing markets we risk losing long established relationships and market positioning. It means investing in new ideas long before they become essential to continued growth and profitability of the business.

Who is responsible and accountable for maximizing business value?

Ultimately, the Executive Team is responsible for maximizing business value, however, it is crucial that these leaders create an environment that allows others in the company to do great work and perform to their potential. Our team leads with a clear understanding of the culture we need to create and the support our employees need to be successful.



What is your favourite book pick on this topic?

Blue Ocean Strategy – Although it's been around for a few years it has some great examples of companies creating long-term sustained and profitable growth in their markets. Do something in a different way to stand-out in the traditionally crowded marketplace.



STRATEGY & RESULTS

HOW TO CREATE AN ACCOUNTABILITY CULTURE TO ACCELERATE RESULTS

Tom Schmitt, President, CEO & Director, Aquatera Corp.

What is an accountability culture for your organization?

Accountability for me means three things: First: Keep the main thing the main thing. When you are involved in too many things, you are not making a difference in any. In numbers, often three is a good number of things to focus on. Second: We are not in the "surprise business". Watch progress on the main things, the three-to-five key objectives for the company, every day. If one of the main objectives goes off target, the leader in charge needs to tell you so you can tackle the challenge together. Expect to be in the "problem solving business" and do not accept to be in the "surprise business". Third: Be tough on issues, not on people. I strive hard to hold my team mates to deliver and I have high expectations. This also means never being personal. "Help me do better" is great, but "you are stupid" is poor, and unacceptable.

Why is it important to create an accountability culture?

Many teams and organizations find and recruit well-intending and good people, which is necessary but not efficient. With good leadership, you create a good game plan, but the toughest thing is for you to have good people to execute a winning game plan. You can relax, thinking you have good people and a winning game plan ... and listen to the 70s Meat Loaf song Two out of Three Ain't Bad. It is the wrong song for you. We all have to hold our leaders accountable for more than effort. We have to strive for difference-making outcomes. Don't confuse efforts for results.

What do you do as the CEO to create an accountability culture in your organization?

Four things: First, we have Management Business Objectives (MBOs), or key goals, for myself and the senior officers. We cascade these goals down to every team mate. If time and energy is spent on something that's not an MBO, there'd better be a darn good reason for it. If not, re-direct your time and energy. In addition, every team mate only has two-to-six business objectives to keep them focused. Second, we have regular weekly progress reviews during which each leader of an initiative describes what s/he is doing to make it happen. And, if it does not happen, what alternative action is being taken. Third, we have public competitions. Every month, we have a Most Valuable Player – a person from any position in our company who lived our values most consistently; each MVP is celebrated and made to feel special, without any cash incentive. And, I host a lunch or dinner with each winner one-one. Fourth and most importantly, we all go out and celebrate the MVP of the Month.



What is your favourite book pick on this topic?

The answer to this one is a bit tongue-in-cheek: [Simple Solutions](#) by Tom Schmitt and Arnold Perl.



STRATEGY & RESULTS

HOW TO MANAGE STRATEGY EXECUTION

Cathy Buckingham, President & CEO, TNR Industrial Doors

What advice do you have for CEOs on the topic of strategy execution?

Strategy execution must align with your culture. Culture sets the tone for the business and can determine the success of your key strategies.

What are your lessons learned?

TNR learned that a big part of our culture is our quality and response time so when a strategy to enter a new market didn't mesh with these two key aspects of who we are, it failed. We went to market internationally through a partner that was much larger and had their own culture around what they felt was responsive. The partner was not as responsive as we are and this created a friction within our organization that basically ended up spitting out the strategy. It wasn't apparent at the outset because leadership was aligned, sales people were excited and yet the roll out failed because the market and my people expected the TNR culture. I learned it is culture before strategy and to take a good look at how the culture fits with each strategy.

What mistakes do CEOs make?

As CEOs we sometimes don't recognize the aspects of culture that work within strategies. Culture is hard to measure so when someone says they put customers first, what does that mean and how do they measure it.



What is your favourite book pick on this topic?

I don't have a favorite book on culture and strategy but some of the writers that have influenced me include: Jim Clemmer who introduced me to continuous improvement and the need to align it to culture in his book [Firing on all Cylinders](#); Jim Collins who wrote [Good to Great](#); Robin Lawton who wrote [Creating a Customer-Centered Culture](#); and Malcolm Gladwell who explains human nature in all his books.

MACKAY CEO FORUMS TIP SHEET

8 TECHNIQUES FOR EXECUTION: GETTING THE RIGHT THINGS DONE

Nancy MacKay, CEO, MacKay CEO Forums

The role of an executive is to make effective decisions that lead to getting the right things done. Executives are expected to execute plans to deliver outstanding business results.

1. **Time Mastery:** Time is a scarce and precious resource. To increase your effectiveness, begin by understanding where you are spending your time. Once you get actual evidence of where you are currently spending your time, it is important that you identify and eliminate activities that are time-wasters. Schedule focused 1-hour blocks of time to advance important tasks that deliver key results.

2. **Set Priorities that Match Your Strengths:** Start by asking what needs to be done versus what do I want to do. Identify which of your priorities you are most suited to accomplish. Focus on the tasks you're good at, and delegate the others.

3. **Develop an Execution Plan to Deliver Results:** What results does the company expect from me this year? What results will I commit to? An execution plan is a statement of intentions, not commitment. The execution plan determines how you will spend your time on key priorities in order to be effective. It should be revisited and revised often, because every success and failure creates new opportunities that require new priorities to be set.

4. **Make Effective Decisions About People:** Studies show that decisions about selecting people are successful only 1/3 of the time. Another 1/3 are outright failures, and the remaining 1/3 brings neither success nor disaster. The problem is not that 2/3 of people

are in some way unsatisfactory; the problem is you didn't put the right people on the right job. Learn from your mistake and move on.

5. **Decisions are NOT EXECUTED Unless People Know:** Who is accountable for executing the decision? What is the deadline? Who will be affected by the decision and therefore, who has to know about, understand and approve it? Who must be informed of the decision, even if they are not directly affected by it? Who cares about the results?

6. **Communicate your Execution Plan:** Your execution plan and your information needs must be understood by all of your stakeholders. Share your execution plans, and ask for feedback using a 360 degree approach: superiors, subordinates, and peers.

7. **Focus on Opportunities Rather than Problems:** Problem solving prevents damage. Innovating and exploiting opportunities produces results. Put your best people on your biggest opportunities, not your biggest problems. Don't discuss problems in management meetings until all opportunities have been analyzed and addressed.

8. **Focus on Ideal Outcomes for Meetings:** Studies show that most executives spend upwards of 50% of their time in meetings. If you are running the meeting, follow the principle of listen first and speak last to increase creativity and candor. Presumably you are holding a meeting for a specific purpose; be clear about your ideal outcome for the meeting, and clearly communicate the purpose of the meeting at the start. If you have achieved your desired outcome for the meeting, sum up and end early!



TALENT & CULTURE

HOW TO ATTRACT, RETAIN AND DEVELOP TOP TALENT

Chris Baby, President & COO, JET Group

What do you do as the CEO to ensure that you are attracting top talent?

At the JET Group, we feel the recruitment process is a critical component in ensuring that we attract and encourage top talent to apply and reach out to our organization. Attracting top talent in today's competitive environment takes more than the traditional advertising channels. We partner with recruitment companies and online advertising agencies that have significant reach and the functionality for candidates to understand who the JET Group is. Candidates learn about the JET Group and if they feel we are a good fit for them, they will apply for the right opportunity or even reach out to us to learn more about other potential opportunities. Candidates today want to work for companies who have a better than average compensation program, a robust benefit plan, great leaders, flexible working programs and development programs in assisting individuals to reach their career aspirations.

As the CEO, I promote our culture, values and vision at any appropriate opportunity. Be it meetings, tradeshows, networking events etc., I will use every opportunity to promote our company. I encourage our managers to do the same and encourage all our employees to reach out and speak to potential candidates about the JET Group. Members of the JET Group, who help bring the organization great candidate leads are also rewarded through the Referral Reward Program.

Developing a recruitment strategy, which supports your overall strategic plan is a key. The recruitment strategy defines the future "personality of the company". I work closely with our VP of HR to define the type of talent, which is required in organization in the future. This is defined through a far reaching advertising and networking strategy, as well as, defining the type of employee that would be successful within our organization. Training is provided to all our managers to ensure that they are aware of the not only the particular skill set required of a candidate but to ensure they look for attributes which fit into our corporate values. Hiring is about personality. We have recognized that you can develop skills and yet personalities are much harder to change. Every interviewer is equipped with an evaluation form, which rates the individual's skill set and personality traits against the position and our corporate values. For executive recruitment or very specific niche roles, we also engage with some of the top recruiting firms in Canada to ensure we have the best 'web' or network reaching out across the entire national workforce. When recruiting critical senior roles in the organization, I personally get involved with the process including the interview, testing and finally reference checks.

What do you do as the CEO to retain top talent?

I truly feel that the best way to retain top talent is to create a company culture where the best employees want to work and one which people are treated with respect, have valued input and feel they are contributing to the success of the organization. The right



employees, in the right roles with the right managers, all drive employee engagement and in turn a culture which is motivating to be a part of. I am a firm believer that everyone wants to succeed and be a part of a winning team – my job is to ensure we not only find top talent both internally and externally, but that we are creating the foundation, support and mentorship for this talent to flourish. The relationships between our top talent and their respective managers (and ultimately our executive, including myself) are paramount to ensure we can effectively retain the talent we have in the organization. I am personally involved in all employee onboarding programs sharing with our new employees our organization's mission, vision and values. Onboarding allows every individual to personally engage with me while I can connect with every employee in our organization. It is extremely important to me that our employees understand that I am approachable, caring and a resource to help them succeed.

As well, we are firm believers that a good work-life balance translates to a sharper, more engaged and more effective workforce. This work-life balance is critical to the younger generation and team members with families in the workforce and we appreciate this as key benefit and opportunity to drive long term employee loyalty. I have three young children at home and can relate to our employees that are managing multiple priorities both at and away from the office – sometimes empathy is the best remedy!

What do you do as the CEO to develop top talent?

As the leader in our organization, my job is to encourage the development of employee capabilities, the nurturing of their careers and hold my team accountable for managing the performance of

individuals and their respective teams. I try to be a role model in developing a culture and organization where learning is not just critical to our success; it grows us as individuals and adds some spice to our daily activities. As well, we encourage all employees to continue to learn, not just at work, but away from work as well. We have in place an Education Development Policy, which encourages and finances continuous learning externally (over and above the core structured education/training provided by the company). We endeavor to be a learning organization that fosters continuous improvement and support our employees with the tools, education and coaching to achieve excellence.



What is your favourite book pick on this topic?

A book I really enjoyed which is related to this subject is one by Buckingham and Coffman called [First, Break All the Rules: What the World's Greatest Managers do Differently](#).

The book is thought provoking as it is centered on the role of the direct manager/supervisor in the success of an organization as it correlates to the level of engagement of their immediate team. The premise is that as the employees in the organization become more engaged, this in turn leads to greater customer loyalty which in turn drives sustainable growth which ultimately leads increased profitability. It highlighted for me the first time that the subjectivity of employee engagement was turned into objective measures of our greatest asset, our people, and taken one step further to link this to business outcomes.



TALENT & CULTURE

HOW TO ATTRACT, RETAIN AND DEVELOP GEN Y

Mo Jessa, President, Earls Restaurant Ltd.

How do you attract Millennials?

Earls Restaurants is a 30-year old, 65 unit chain with over 5000 employees. And we're still growing, opening restaurants in Miami, Boston and Chicago in 2014. 90% of my work force was born between 1980 and 2000. I assert that this cohort, dubbed the Millennials - and contrary to what you read in pop media – will be the most principled and productive generation in history. The Millennials are determined to contribute to a better world through their work. Their work ethic is more energized and resolute because they don't see work as a means to an end. They see work as way of life. Millennials make up 1/3 of Canada's population, and while they are only 25% of the work force today, in the next 15 years they will make up 75% of the work force. This is the largest, most educated cohort since the Boomers; 60% of graduates from universities are female. When they are looking for work, 25% of them search for their jobs on the internet. 85% say they would apply using their mobile device if given the option. They want to know about the company's reputation, why it exists, what it stands for and the commitment it has to make a difference in the world. Make this part of your online presence. We all want our businesses to remain relevant to this generation, so understanding them is not just a matter of interest – it's a matter of survival.

How do you retain Millennials?

The top 4 things Millennials say are important to them are: transparency, recognition, flexibility and communication. This generation spends more on travel, fine dining and experiences than Gen X. They want to work and enjoy life as one thing. They don't see

retirement as their ultimate goal. They want purposeful work to be their ultimate goal and will keep doing it until they die. Pay attention to flexible work schedules. Communicate relentlessly. Get into the domain of social networks. We just invested half a million dollars to build a social platform to connect all 5000 of our employees with each other as a community. Compensate fairly and unleash them with autonomy. Appeal to their sense of Mastery. Align their contribution to a greater purpose.

How do you develop Millennials?

This group doesn't want to wait for an annual performance review. Get rid of that system and provide feedback on a daily, weekly, monthly basis. Remember that each employee is an individual person and should be treated that way – find out what makes each person unique and valued. Help them create a vision and goals for themselves, and be completely open and transparent about the company's finances and plans for the future. I encourage you to stop listening to the rhetoric that's out there about the Millennials. Observe them for yourself and discover this generation – they are about to surprise everyone.



What is your favourite book pick on this topic?

I've skimmed through several books about Millennials, but the one that really impacted me and how we run our business is [Drive](#) by Daniel H. Pink. The ideas in Drive yielded several actionable strategies that are beautifully aligned with the values of this generation.



TALENT & CULTURE

HOW TO HIRE FOR FIT

Marty Parker, Chairman & CEO, Waterstone Human Capital

What advice do you have for CEOs on what they need to do to ensure that they are "Hiring for Fit"?

CEOs first need to clearly understand their own culture or behavioural make-up of their organizations. We call this principle, "Know Thyself". In order to do this, the best mechanism is to model or identify and articulate the core behaviours of their high performers. Then, in using this model, CEOs can help their organizations build a recruiting for fit process where skill sets are viewed as only the price of entry and behaviours or fit factors become the differentiators when determining the right fit of candidates.

What is the biggest mistake CEOs make when making hiring decisions?

CEOs are outcome related animals-they are ultimately the most accountable person in their organizations and they must drive results through others. As a result, we often see CEOs getting caught up in what achievements a candidate has accumulated through their career as opposed to how they achieved these results. Understanding the behaviours that made candidates successful and ensuring that these match the behaviours that make existing employees successful is often overlooked at the expense of what they in fact, achieved.

What is the criteria for winning the 10 Most Admired Cultures award?

Canada's 10 Most Admired Corporate Cultures recognizes best-in-class Canadian organizations for having a culture that has helped them enhance performance and sustain competitive advantage.

There are 10 winners selected across four categories: Enterprise (revenues above \$500 million); Mid-Market (revenues above \$100 to under \$500 million); Growth and Small Cap (revenues under \$100 million); and the Broader Public Sector (crown corporations, government agencies, universities, colleges, charities foundations and not-for-profit organizations). Nominees are asked to submit an online profile with detailed answers to six categories: Vision and Leadership; Recruitment and Hiring for Fit; Cultural Alignment and Measurement; Retention, Rewards and Recognition; Corporate Performance; and Corporate Social Responsibility. Submissions are completed by the end of May each year and then organizations' executive teams are interviewed and then judged by a board of governors of their peers and former winners each November. The Canada's 10 Summit and Gala takes place on the first Monday in February each year to honour the previous years' winners.



What is the one key message for CEOs in your book **Culture Connection**?

You can copy strategy, recruit key people, or implement key proven-in-the-market systems but you can never duplicate culture. Therefore culture is the single greatest competitive advantage any organization can have.



TALENT & CULTURE

HOW TO CREATE A GREAT PLACE TO WORK

Robert Pratt, President, Coast Hotels

Why do you consider Coast Hotels to be a great place to work for your employees?

At Coast Hotels we have strong values which guide our decision making and help us to do the right thing. Our people are all ambassadors of the Coast brand and are notorious for our friendliness. Hospitality is a fun business to be in and every day we have hundreds of opportunities to engage with guests and create memorable experiences. We encourage our people to think for themselves, take risks and make change. Right now, and moving forward, everyone has the ability to make an impact to refresh, renew and grow our brand. We want our ambassadors to make their mark and add value to Coast, bringing ideas and initiatives forward. We have a collaborative style often using cross functional teams to solve problems. Each of us has the ability to question the status quo in pursuit of continuous improvement, competitive differentiation and relevancy. Our increased focus on accountability will only serve to strengthen our resolve and improve our results.

What are you doing as the CEO to create a great place to work for your employees?

I try to attract the strongest most talented leaders I can find and provide a supportive and collaborative environment where they have the freedom to execute within their areas of responsibility. Together we create clarity of purpose and agree on how we will achieve success. At Coast Hotels we are a family committed to providing an authentic service experience where each guest feels a genuine sense of care each time they engage with one of our people. As a

team we are creating a culture of accountability where initiative and entrepreneurship can thrive and be rewarded and recognized. We are working together to build a stronger brand which adds more value for our partners; while we do that we make sure we have fun and laugh – a lot.

What key strategies do you have in place?

We conduct Stay Interviews and Ambassador Satisfaction Surveys which encourage feedback on a wide range of topics around work, career and work environment. We form teams to work on improving identified areas of opportunity and throughout the year continually try to make Coast a better place to work. Our social committee organizes a wide range of activities to celebrate seasons, holidays, birthdays and achievement. These formal and not so formal get-togethers are great for building relationships and for reminding ourselves of what is important. Our vacation policy ensures that our people take time off every year to rest, relax and recharge. We promote balance and healthy living through monthly wellness programs and information sessions. We also created a reduced work week program and offer flexible work arrangements when the business can support it which allows people to take time off when the weather is nice and the kids are off school. Our recognition programs celebrate exemplary performance and achievement while communicating how much we appreciate those people who go above and beyond to help us to reach our goals. Our people have the ability to give back in their communities through hotel volunteer/community programs.



TALENT & CULTURE

BUILDING A SUCCESSFUL CULTURE TO ENABLE STRATEGY EXECUTION

John Rose, Former President & CEO, Nuheat Industries Inc.

How would you describe the Nuheat culture?

Positive, high energy, fun, young and nurturing. That said, culture is hard to put into words as it is the unwritten rules, customs and values of a company - what's acceptable and what's not. It is the vibe you get when you walk around the company and see people, their expressions, their interactions and their passions.

What have you done as the CEO to build the culture?

My hope is to encourage creative thinking in an open, caring environment and I actively get to know each of the staff as individuals. Daily staff meetings allow everyone to connect and let me gauge the temperature of the staff on a regular basis.

Each Friday, staff from all over North America tune in via Go To Meetings. I lead these meetings with a self-deprecating style that allows me to have fun and tease the staff in a good-natured way. We also cover off key business metrics that keep everyone informed and we use it as a platform to recognize good news and great experiences both internally and externally.

We offer interesting perks like education and hobby allowances. The education allowance is not restricted and can be used for anything that supports professional growth of the individual, such as public speaking, a time management course or finishing off a professional designation.

Hobby allowances support the individual's interests and have included a Grouse Grind hiking pass as well as cooking, Spanish,

golf and ukulele lessons. When an employee feels fully supported, I believe they work harder and give back to the company with a greater attitude and caring that shows up with them every day

For new employees I meet with them for an onboard culture session followed by a get-to-know-you lunch. This gives a clear signal as to what they can expect from the company and what we hope to get from them in return

For six years now, we celebrate the memory of one of our founding inspirational distributors. The Marilyn Thureau award is given out to the employee that best exemplifies Marilyn's character traits of integrity, generosity of self and giving back to the community. This past year we had 35 employees nominate other employees.

We have supported employee-driven initiatives such as the sponsoring of a sensory room for Canuck Place Children's Hospice, a well for the village of Singo Sudan and other commendable employee endeavours.

What are you planning to do going forward to continue to build your culture?

I will continue to recognize and foster cultural diversity and individual personal growth. We celebrate diversity by hanging the flag of the country of origin of every staff member. We currently have 24 flags hanging from the rafters in our warehouse like pennants in sports arenas. We look forward to raising more flags as our team continues to grow and diversify.



What is your favourite book pick on this topic?

I don't have a favourite book but have drawn great inspiration from many great books on culture like Zapp, [First Break All the Rules](#), [Who Moved My Cheese](#), [Good to Great](#) and most recently, Jim Murphy's book [Inner Excellence](#). I believe that the ideas you learn and adopt in your organization have to be genuine and consistent with who you are as a leader. A successful company's culture has to be sincere, open, nurturing and exciting.

MACKAY CEO FORUMS TIP SHEET

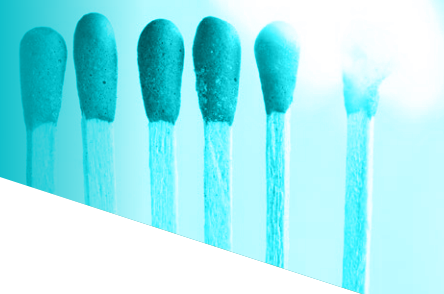
15 STRATEGIES FOR BUSTING SILOS TO ACCELERATE RESULTS

Nancy MacKay, CEO, MacKay CEO Forums

Silos are costly barriers that exist between business functions, causing people to work against one another. Creating a sense of urgency for people to work together and applying effective strategies to bust silos is necessary to attract, retain and develop top talent.

Here are 15 strategies to bust silos to accelerate business results:

1. Build trust, candour and transparency between your board and management team to minimize "horizontal silos". It starts at the top.
2. Use a team approach to succession planning and talent reviews. Avoid a silo approach to career planning.
3. Get feedback from peers and direct reports for performance reviews.
4. Focus on and share accountability plans tied to strategic outcomes and interdependencies.
5. Don't be the referee. Get the evidence. Encourage straight talk.
6. Build confidence in leaders. Catch people doing things right five times a day.
7. During team meetings, invite people to step into your shoes and out of their silos.
8. Lead an annual "number 1 priority" executive team project at all times.
9. Ensure that cross-functional project teams understand the role of the project manager.
10. Foster deep social bonds to minimize ego-talk and unhealthy conflict.
11. Clarify who the decision makers are. Clarify and honour reporting relationships.
12. Give people an opportunity to "be in charge" when you are away.
13. Give people an opportunity to learn all business functions.
14. Give people an opportunity to run cross-functional meetings.
15. Dial-up team-based rewards, recognition, and compensation.



CUSTOMER FOCUS & INNOVATION STRATEGIES

HOW TO BE CUSTOMER FOCUSED

Stuart Suls, President & CEO, Mr. Lube

Why do you consider Mr. Lube Canada to be a customer-focused company?

Today's most successful companies have one of four primary strategies: 1) Innovator, 2) Integrator, 3) Low price, or 4) Customer focus. At Mr. Lube, we recognize our central strategy has to be customer focus-based in order to be the leader in our marketplace.

At the heart of Mr. Lube are our three strategic pillars (Brand, Franchisee Profitability and Customer Service). Acting as the key driving force across our organization, they continually shape our strategy and culture at all levels. Most importantly, they have shifted our focus from that of a quick lube business to that of a retail company focused on meaningful customer experiences.

As a result of this focus, in 2012, J.D. Power and Associates recognized Mr. Lube with a top three ranking (up from 8th in 2011 and 24th in 2009) for customer satisfaction.

What are you doing as the CEO to build a customer-focused company?

Understanding our family business roots, I introduced the One Life philosophy, which encompasses all aspects of our corporate culture. One Life proposes that a whole life must be considered at all times; life makes allowances for work, so work should do the same. This has a profound effect on our customer service as it aligns our people and partners to create the right experiences for our customers and the communities we serve.

How much time do you and your executive team spend on customer-related activities?

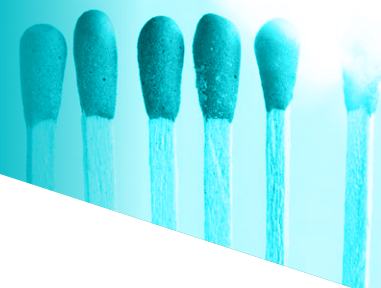
Customer-related activities are at the core of everything we do. 'Take Good Care' is not only the heart of our message, but it serves as our commitment to our customers. To better understand the needs of our customers, partners and staff, I introduced our franchisee counsels – four national advisory bodies made up of senior management and franchisee partners. Our focused effort has identified successes and driven innovation, resulting in increased customer-satisfaction levels and stronger community-building efforts.



What is your favourite book pick on this topic?

Two great resources I turn to are:

- 1) **Good to Great** by Jim Collins. I firmly believe the principle of being good at everything is not good enough, especially in terms of customer service. If you're not striving for 'great' then you need to change your focus.
- 2) **It's Your Ship** by Captain D. Michael Abrashoff. Successful customer focused strategies require leadership to see the ship through the eyes of the crew and customers. Listen aggressively, focus on purpose to create team discipline and then drive open communications.



CUSTOMER FOCUS & INNOVATION STRATEGIES

HOW TO ENHANCE CUSTOMER SATISFACTION

Chris Sharples, President and CEO, Modu-Loc Fence Rentals

What are your key success measures for Customer Satisfaction?

It is our goal to be proactive when it comes to Customer Satisfaction. Although we do regular follow up with our customers after a job, we prefer to clearly know what they want prior to starting. It has been our experience that any time you have a customer with requirements which are different, or out of the norm, the more time spent with them planning prior to showing up on-site, the better the overall process will flow.

We have discussed issuing surveys to get feedback, however most of us agree that this is a reactive approach and often highlights only what you already know. In addition, I find that I am overwhelmed with surveys from companies, and we are cognizant of not wanting to further burden our customers.

What key strategies do you use to enhance Customer Satisfaction?

In most cases, our customers rely on us to be the expert as it pertains to the proper way to install fencing on a site, or to assist with suggestions on crowd control and security. Because of this, we spend a great deal of time training our workforce on the Best Practices of site management.

In addition, Modu-Loc is always searching for, and regularly introducing, new products designed to address common issues faced by our customers. Anytime we think we've found something unique which could address nagging and recurring issues, we will bring them forward to test them with select clients.

What advice do you have for CEOs related to Customer Satisfaction?

I'm sometimes shocked at the level of quality or service that CEOs will expect out of their service providers, yet fail to deliver to their customers. If you want perfection, then do your best to deliver it. Any time you have an opportunity to go above and beyond, particularly if the cost to provide it is minimal, do it.

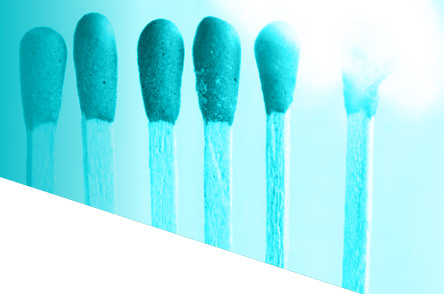
As often as possible, you and your senior management should talk to your customers. Ask them their opinions, suggest products or services, and get as much feedback as possible. Once this feedback is gained, come together as a group to discuss what is working, what isn't, and what can be done better.

If you're already good, don't get complacent. Keep striving to be better.



What is your favourite book pick on this topic?

[From Worst to First](#) by Gordon Bethune. I originally read this book when I was doing a turnaround for one of the companies I was brought into. The lessons he taught on Customer Satisfaction and Accountability were invaluable. For those unfamiliar, he took over Continental Airlines in 1994 when it was last in virtually all measureable customer satisfaction categories, and he set about how to change this perception. He first tackled the Corporate Culture as he knew that unless this was set straight, it would be impossible to change the customer experience. Furthermore, he vigorously set out to identify and improve every customer touch-point, and showed that it could easily be done as there really aren't that many. By doing all this, it only took a couple of years for Continental to become #1 in Customer Satisfaction and be profitable.



CUSTOMER FOCUS & INNOVATION STRATEGIES

HOW TO BE AN INNOVATIVE COMPANY

David Labistour, CEO, Mountain Equipment Co-op

Why do you consider MEC to be an innovative company?

MEC is a 40-year-old company that has evolved with the times so yes... we have been innovative. Having said this, with the exponential rate of change we are seeing in our industry, consumer base and the world at large, I am not comfortable that the level of innovation that has got us here will be sufficient for the future.

What are you doing as the CEO to build an innovative company?

We are working to create a culture that is acutely focused on the customer (our Members) and tightly aligned to our purpose while being fully accountable for the part we all play in delivering on that purpose. In this way we can create a greater degree of empowerment and ownership that allows for a more plastic and nimble response to the exponential changes we face.

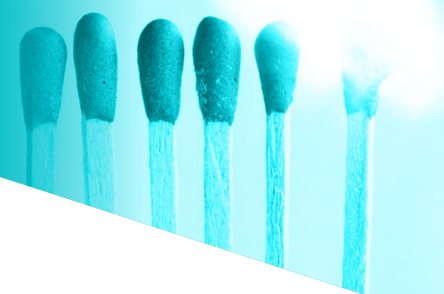
How much time do you and your executive team spend on innovation-related activities?

We spend more time on working with the people of the organization to align the culture. I believe it is the culture that creates the innovation and not a defined process of innovating. Innovation in finance looks different to innovation in supply chain. If we are focused on better delivery to our Members and our stakeholders, we will find different nodes of innovation throughout the organization.



What is your favourite book pick on this topic?

Management books are like compass bearings. One bearing will not give you the direction but the more bearings you take the better you can define the direction.



CUSTOMER FOCUS & INNOVATION STRATEGIES

HOW TO INNOVATE AND MANAGE DISRUPTION

Laurie Schultz, President & CEO, ACL Services Ltd.

What advice do you have for CEOs on the topic of innovation and disruption?

Disruption can either happen TO you or THROUGH you. To ensure the latter, consider disruption from the "inside out" meaning start by re-inventing the EMPLOYEE experience and then the CUSTOMER experience. The SHAREHOLDER experience will follow.

What are your lessons learned?

The biggest obstacles to innovation and disruption are usually internal. Employees resistant to change will often gate keep what is possible and "put words in the mouth" of customers. Mitigate this by spotlighting change agents in your organization (externally obsessed individuals who challenge the norm, provide definition in ambiguity, and inspire others to act). Go public with Top Talent programs, and reward your change agents for taking calculated risks whether or not they succeed or fail.

What mistakes do CEOs make?

Not investing enough and/or not being patient enough. If you truly want to disrupt, put your money where your mouth is and be prepared to incubate your investment against enough time for it to stick. As a rule of thumb, a material, strategic bet should consume 5-10% of your operating budget and it should be given two to three years to play out with a lot of trial and error. Guaranteed is that your innovation won't be right, out-of-the-gates. Innovation takes iteration

and conviction — the ability to fail fast, make changes quickly, and mostly importantly, to hold the confidence of your stakeholders through the peaks and valleys.



What is your favourite book pick on this topic?

Jack Welch's [29 Leadership Secrets](#) because it does a great job marrying the goal of innovation with the prerequisite internal culture needed to achieve it.



CEO LEADERSHIP STRATEGIES

HOW TO LEAD LIKE A CEO

Lee McDonald, President & CEO, Southmedic

What is your definition of leadership?

I believe it is our responsibility as CEOs to ensure Alignment of People, Resources and Vision to reach our goals. To do so I focus on three aspects that I feel are crucial:

1. Create an environment of transparency where employees can trust and predict the outcome of their behaviour. An environment where they have the freedom to think outside the box, voice their ideas and be creative.
2. I believe it is crucial that we align compensation so that our employees are motivated to do what we would want them to do if we were not monitoring them. They must win both praise and compensation if they perform tasks that are aligned with corporate goals. In the end their motivation is to win for their families and for themselves, we are only providing them with the means to do so but not the motivation. Their motivation is driven from their understanding of "their win scenario".
3. Lastly, as CEOs I believe we must always keep in mind the savvy leadership words of Miss Piggy as stated in Muppets meet Manhattan, "People are People". People are predictable and regardless of their role, we must expect them to exhibit predictable human behaviour. If they feel cornered they will find a way out, if they are threatened or bored they will leave, if they feel nurtured and challenged they will invest and grow. Alignment and Work Culture are crucial to ensure that employees buy into and exceed our corporate goals.

How did you learn how to become an effective leader?

I learned very early on from my nursing training that people drive goals and leaders are responsible to create the environment, provide resources, alignment and transparency needed to achieve the goals. Some years ago I discovered that a particular customer's regular observation of our production processes was disrupting our production lines and decreasing our quotas – which led to increased absenteeism and poor morale. This customer was negatively impacting our culture and our people, and was abusing our customer transparency policy. Our efforts to induce change were denied and ultimately we had to "fire the customer", who was costing us far more than their contribution to the bottom line. The message was clear, our people and culture matter. Our team understood the impact of this decision and supported it by working very strategically to replace this business in short order.

What is your biggest leadership mistake and what did you learn from it?

I don't believe there are true leadership mistakes. As leaders we make decisions based on knowledge and present conditions, these are not mistakes but rather choices we believe are the best given the information given. Even bad choices open doors that provide opportunity. Without knowing what the real outcome would have been from any given choice one cannot truly call it a bad choice.



What is your favourite book pick on this topic?

Good to Great by Jim Collins.



CEO LEADERSHIP STRATEGIES

HOW TO EVALUATE CEO SUCCESS

Dave Perkins, Former President & CEO, Molson Coors Canada

What are the key success measures for CEOs?

I think of CEO success measures as including a combination of inputs, or what we actually manage, and outputs, which are the business results they drive.

The business results generally relate to the sustained performance of the business across several relevant objectives, such as revenue, profit, customer metrics and shareholder return.

The CEO success measures relating to inputs include whether or not there exists a clear and compelling picture of success for the enterprise that is understood by employees and other critical stakeholder groups. This picture of success should include both what is to be achieved and how the organization is to behave in accomplishing it.

Next, are the employees fully engaged in the pursuit of that mission and does the organization have a clear executional path forward in terms of a series of manageable steps and small wins it is pursuing? Does the organization have the critical resources, tools, systems and capabilities, including the necessary diversity, essential to winning? Is there a talented leadership team in place functioning effectively and with the breadth of skills, perspectives and experiences to navigate the landscape? Do the actions of the enterprise reflect an integrated corporate social responsibility agenda that helps support the organizations sustainability? Finally, has the CEO ensured that the organization is focused on only those things that are critical to the mission and is the capacity of the organization well matched to what is being asked of it?

What critical success factors determine CEO Success?

I don't believe there's a magic formula for success. CEOs build on their own unique blend of capabilities, style, knowledge, and experience given the leadership situation they find themselves in. Luck obviously plays a role too. However, there are traits that I believe do factor heavily into CEO success, namely:

- authenticity
- a hunger to elicit and hear the truth, including the brutal facts
- the ability to connect the dots in a complex and multi-faceted environment
- the desire and ability to persuade through verbal and written communication and storytelling
- a commitment to coach and help others become the best they can be
- courage, determination and purposefulness
- the ability and commitment to build trust-based relationships

What advice do you have for CEO Succession candidates?

Be aware of the shadow you cast in your organization and ensure that the way you behave, as CEO, is the way you want your organization to behave. Your organization will become a reflection of you. Lastly, be clear on your purpose and then be purposeful in all that you do.



What is your favourite book pick on this topic?

That's like asking which is your favourite child! I actually find that I benefit from a number of different perspectives. I have enjoyed the simplicity of [Lincoln on Leadership](#), the real world approach of [The Hard Thing About Hard Things](#), the practical approach of [The 4 Disciplines of Execution](#), the no nonsense advice of [Good Boss Bad Boss](#), the provocation in [The Management Mythbuster](#), the inspiration in [Good to Great](#), and the insights in [The Executive and the Elephant](#).

MACKAY CEO FORUMS TIP SHEET

13 HABITS OF HIGHLY SUCCESSFUL AND EFFECTIVE CEOs

Nancy MacKay, CEO, MacKay CEO Forums

Time is our most precious resource. Every CEO will need to commit to effective time mastery behaviours in order to "win the war for talent" and accelerate business results.

1. Develop a 3-year Career BHAG. Explore all options. Combine passion with competence and need to achieve extraordinary results. Develop a plan to achieve your career BHAG. Think and act world-class to achieve your full-potential.
2. Delegate and let go of the D. List your top 30 work-related activities. For each activity, assess your ability to do each one based on the descriptions below:
 - **Masterful:** extraordinary ability; passion; gives you energy
 - **Excellent:** superior ability; no real sense of passion
 - **Competent:** adequate ability; boredom; little improvement in performance over time
 - **Incompetent:** inadequate ability; failure; stressful
3. Spend your time wisely. What are the three most important activities on which you need to focus to deliver extraordinary results? Plan your time every day, week, month, quarter and year

and you'll be on the path to achieving your full potential and producing extraordinary results in all aspects of your life. Do you have a 90-day action plan?

4. Identify your top 20 list of 360 degree stakeholders. Business is about people. Do everything you can to build relationships with your stakeholders and help them be successful. Know why people would want to build a relationship with you. Practice the following simple, yet powerful, relationship-building strategies: Keep commitments; start on time and end on time; finish what you start; say please and thank you.
5. Take 100% responsibility and accountability for your own ability to influence. Focus on outcomes. Clarify expectations with 360 degree stakeholders (board/boss, peers, direct reports, customers). Claim the D. Dial-up assertiveness. Minimize frustration.
6. Take control of your life balance. You are 100% responsible for achieving your full potential in all aspects of your life. Assess how satisfied are you with the following: career, health, financial situation, spouse/partner, friends/family, personal growth, home/physical environment, social responsibility and fun. Set goals and enjoy the bumpy journey of life. Be assertive with your 360 degree stakeholders to manage expectations and ask for what you want. Stop judging others. Life balance is personal.

7. Build your Skills, Behaviours and Experience (SBE) toolkit. The higher you go, the more critical leadership success behaviours are to your success. Read the HBR article, "Coaching the Alpha Male" to learn more about the following success and (derailment) behaviours:

- Self confident and opinionated (intimidating)
- Highly intelligent (demeaning)
- Action oriented (impatient)
- High-performance expectations of oneself and others (always dissatisfied)
- Direct communication style (CYA culture)
- Highly disciplined (burnout)
- Unemotional (not inspiring)

Leadership coaching, 360 feedback, job shadowing and mentoring are very effective approaches to learning success behaviours.

8. Reach out to internal and external mentors and coaches. Surround yourself with people who inspire you to learn, grow and achieve your full potential. Be courageous and ask for help.
9. Take risks and don't be afraid to fail. Learn from your mistakes and move on. Ask for forgiveness, not permission. Failure and rejection build character so don't be attached to the outcome. Read *Feel the Fear and Do it Anyway* by Susan Jeffers.

10. Set ideal outcomes, always do your best and celebrate your success. Increase your ability to identify compelling ideal outcomes and get out of your comfort zone. Understand your starting point and work towards achieving your ideal outcomes. Look back to celebrate the progress you have made from your starting point. Avoid beating yourself up if you don't achieve your ideal outcomes. You are good enough now and you are on a life-long journey of progress toward ideal outcomes. Strive for success, not perfection. Take five minutes every day to celebrate success and to identify your three most important accomplishments.

11. Coach, mentor and empower others to be accountable for results. Use influence, NOT position power. Listen first and listen 80/20. Dial-up empathy and use your SBEs to help others be successful. Ask questions to help people identify issues and options and make effective decisions. Stop telling people what to do and how to do it.

12. Believe in yourself and build self-confidence. Get smarter every day by building on strengths (www.strengthsquest.com) and using the "feedback is a gift" principle. Don't take anything personally. Invest your time, money and resources to improve your SBEs. Read like crazy.

13. Be happy now. Life is short. You are only one thought away from being happy with your life. Read: *You Can Be Happy No Matter What: Five Principles for Keeping Life in Perspective* by Dr. Richard Carlson.



CEO LEADERSHIP STRATEGIES

HOW TO MANAGE SUCCESSION PLANNING

Riyaz Devji, Managing Director, North American Tea & Coffee Inc.

Why is succession planning important to business success?

North American Tea & Coffee was founded by my two uncles in 1977 and I joined the company full time in 1984. Our succession plan was, simply, when one of the partners turned 65 or passed away, the remaining partners would purchase the shares. When my uncles both turned 65, I ended up purchasing their shares and owning the business. With two daughters who decided to pursue professional careers instead of the family business, the only viable option for me would have been to sell the company. Without a succession plan, there would be no one to own or run the business.

What are you most proud of related to succession planning?

In the case of North American Tea & Coffee, we were very fortunate to merge with Associated Brands in 2012 and sell the business to Treehouse Foods, which is a \$2.5 billion corporation trading on the New York Stock Exchange. Being part of a larger organization like Treehouse enabled us to better service our large grocery customers, who were also merging and required national distribution throughout North America. It also offered customers the opportunity to purchase, in one order, a wide range of products manufactured by Treehouse. For employees, it enabled them to grow and learn. There are far greater opportunities within Treehouse, which has 5,000 employees. For those employees displaced by the transaction, we all worked as a team to find them other positions and, in the majority of cases, they found opportunities in organizations that would allow them to grow, were more conveniently located, or offered positions they had thought about pursuing in the past. For the suppliers, it gave

them an opportunity to sell products to a much larger organization and, if suppliers are competitive and provide excellent service, their business with Treehouse could grow substantially.

Did you make any mistakes and what did you learn about succession planning?

For far too many years we were focused on just running the business and did not pay any attention to succession, either in ownership or management. In the two years prior to merging and selling the business, a lot of effort was spent, with the help of a consultant, determining how the business should be run if I did not own it or run the day-to-day operations. Over the last two years, the company has been transitioned to where managers have been given the authority and the autonomy to run various parts of the business. The end result is that I spend substantially less time running the company and its profitability has grown by 50 per cent. The mistake I made was I should have started this journey many years ago, which would have given me a more balanced lifestyle and a far more profitable company years earlier.



What is your favourite book pick on this topic?

I do not have a favourite book but [The Leadership Pipeline: How to Build the Leadership Powered Company](#) (by Ram Charan, Stephen Drotter and James Noel) is the best book I know. A lot of my guidance came from shared experiences with my CEO Forum peers who had been on this journey earlier in their careers. I learned a lot from them.



CEO LEADERSHIP STRATEGIES

HOW TO BE A SOCIAL CEO

Shawn Neumann, CEO, Domain7

What is a social CEO?

I've seen a huge spread in terms of social engagement by CEOs but when someone's doing it well, they are actively involved in both listening and speaking through social channels. They aren't merely parroting a corporate script or entrusting it to a PR team. A social CEO understands the organization's purpose and champions the value of social through the company. **Peter Aceto of ING Direct Canada** is doing a great job. You can read about the **three levels of CEO engagement** I've witnessed on the Domain7 blog.

What are 3 things CEOs should be doing to become more social?

1. Know your story: This is the best way for CEOs to overcome their fear of social media. If you know your brand and why you exist, and you articulate that through the organization, then public messaging can never stray too far from your values.
2. Start internally: To find your voice and determine what channels you feel comfortable with, start with your internal social networks. Start sharing through your intranet (we use Google+ for ours) or closed Facebook channel. See what feels authentic and what works.
3. Become a curator: Once you are ready to engage your customers on social, the best way to start is by becoming a curator—someone who thoughtfully shapes the conversation about your company and industry. Begin with some research: study your data, talk to your audience, see what the competition is doing and, as mentioned,

tune into your own purpose. Then start, thoughtfully. I break it down into 3 parts: Seek, Sense and Share.

Seek an area you'd like to curate within your industry. Put together a list of great sources and set aside 15 minutes a day to scan these sources and flag interesting items.

Sense how to draw out meaningful insights that align with your personal and organizational story.

Share it. When you have a steady source of interesting content, layered with your insights or additions, you can add value to the conversation. Don't stress about slotting your message into a prescribed technology - just pick the platform that works best for you and your customer base. You'll come to be seen as a go-to source, engaged in your industry and poised to connect with customers.

How does becoming a social CEO impact culture?

This is so closely tied with the cultural impact of being a certain type of leader. If you are authentic, transparent and people-focused, then your organization will naturally become more human. Being social validates some of those traits in the eyes of stakeholders and it just makes it easier to extend that ethos. A leader may be able to physically meet with three people in a day, but social media lets you connect with an unlimited audience each day. A social CEO can champion company values in the social context and have massive reach.



What is your favourite book pick on this topic?

There isn't a lot of "book content" written on the Social CEO topic but there are great books related to becoming the kind of organization that CAN embrace social. I like Gary Hamel's [What Matters Now](#) and Simon Sinek's [Start With Why](#). Once you grasp the principles in these books, social becomes simple.



CEO LEADERSHIP STRATEGIES

HOW TO IMPROVE BOARD EFFECTIVENESS

Launi Skinner, CEO, First West Credit Union

How has being on boards made you a better CEO?

I've developed a richer understanding of how board members view the business. I seek to bring greater focus and clarity to the information they receive — information that helps them understand the financial health of the organization, with a strong connection to strategy and risk.

As a board member, I've appreciated learning from the key leaders in an organization. At First West, this has meant including my management team more in board meetings and education.

What have you done to build a strong relationship with your board members?

1. Gain and clarify vision with your board. Effective board relations are made when you seek out insights and engage in frank conversations on the organization's direction.
2. Stay connected. Three years into my role at First West and I still maintain bi-weekly one-to-one's with my board chair. We talk about business, share ideas and occasionally vent frustrations. Through it, we continue to build trust and knowledge.
3. Leverage their expertise. I expect my management team to tap into our board's community connections, industry knowledge and professional insights.

What are you doing to get the most out of your board?

For our board to be effective in their decision-making and governance efforts, it's critical they engage with and live out the values and cultural norms of the organization which, at First West, we refer to as our 6 Big Ideals.

Connecting these into how we lead and work with our board means that we have done things like establishing a matrix of skills and experience that we require to be an effective board. We regularly update our current skills and experience against the desired state and as elected positions become open, we actively recruit members who have the required skills and experience set.

We also believe innovation and corporate creativity is essential for healthy boards. Ours sets one hour of every board meeting for strategic and open 'thinking' time. We have thoughtful conversation as we look at how we are balancing the long-term opportunities with the short-term realities.

MACKAY CEO FORUMS TIP SHEET

11 TIPS FOR GETTING BUY-IN FROM YOUR BOARD, LEADERSHIP TEAM AND EMPLOYEES

Nancy MacKay, CEO, MacKay CEO Forums

1. **Step out of your shoes.** Spend time anticipating what another will say and how you will respond to his/her objections instead of rehearsing your own story.
2. **Accommodate other personality types.** Develop self-awareness of your own personality type and adapt your communication style to another's personality type.
3. **Establish peer level communication.** Treat another as an equal. His or her time is just as important as yours. Learn about what's important to him or her.
4. **Listen more than you speak.** Ask powerful questions. Listen for objections, perspectives and ideal outcomes.
5. **Narrow the resistance.** Clarify the objections and discuss potential next steps.
6. **Agree with objections and focus on benefits.** Don't defend against resistance.
7. **Appeal to another's self-interest.** Logic makes people think. Emotion makes people act.
8. **Shift another's perspective.** Ask another, "Just for a moment, what if we looked at the situation from my shoes? Or from Joe's shoes?"
9. **Create familiarity.** Make people feel comfortable by highlighting that others have been there and done that. Highlight that others have experienced the same challenges.
10. **Ask for permission.** Use phrases like "May I ask you?" "Would you be willing to?" "May I play devil's advocate?"
11. **Demonstrate credibility.** Talk about your 'three good reasons' to show that you've given this a lot of thought.

FINANCING GROWTH

HOW TO FINANCE EXPANSION

Peter Gustavson, President & CEO, Gustavson Capital Corporation

What advice do you have for CEOs on the topic of financing expansion?

A CEO has various options when it comes to financing expansion and needs to choose the one appropriate for the company and its balance sheet. Bank debt, although it comes with the highest amount of restrictions and covenants, is generally the cheapest form of financing. Sub debt or mezzanine financing, while generally less restrictive than bank debt, costs more and can in some cases be dilutive to your shareholders. Issuing preference shares is less restrictive and dividends paid are generally less than sub debt, but they are not tax deductible and may require sweeteners such as convertibility into common shares which will be dilutive to your shareholders. Issuing common shares is the least restricted form of financing but has to be recognized as diluting the ownership of the current shareholders – the people the CEO is working to enrich.

What are your lessons learned?

If a company is profitable and has a reasonably strong balance sheet, the preferred form of financing is bank debt, assuming it is not "bet the company" type of expansion the CEO is seeking to finance. If the company's financial strength is limited, sub debt or issuing preference shares and limiting, if possible, any dilution of your common shareholders' equity is preferred. Issuing common shares should be restricted to financing expansion where there is a predicted increase in value to your current shareholders beyond the dilution they will suffer from the issuance of new shares.

What mistakes do CEOs make?

CEOs choose an inappropriate form of financing for an expansion plan because it is easier to do or less risky to the business and management if the expansion plan does not work out. However, CEOs may forget that they are working for the best interests of current shareholders whose financial interests would be better served with a different mix of financing.



What is your favourite book pick on this topic?

Any university introduction to corporate finance textbook will do.



CUSTOMER FOCUS & INNOVATION STRATEGIES

STRATEGIC GROWTH: BUILD, BUY OR PARTNER?

Paul Healey, Principal, Clarity Group West.

What are the critical success factors for organic growth?

In order to achieve significant success in organic growth, a company must achieve excellence in Vision & Strategy, Leadership & Staff Engagement, Branding, and Customer Experience. A clear Vision & Strategy will outline the potential of significant growth in your market. Focus on the question "Why you are in business", not what or how your business sells. Everyone needs to believe in this vision and be ready for the trip you are all going on.

Leadership & Staff Engagement are the vehicle to deliver organic growth. Like any sports analogy, only the players can ultimately win the game. The leaders role is to create an environment where employees can be the best they can be. Attract leaders who are passionate about the vision, can contribute the expertise needed and have an opinion on all aspects of the business to create mental telepathy in your management team and generate better decisions. An environment that gives your staff permission to contribute becomes addictive. My best ideas and input always came from the front lines of the business.

Branding becomes the foundation to support the vision and speak directly to your customer's inner thoughts. Branding is an art and requires specific expertise. This is most effective when you focus on why customers want your service and ensure your messages are simple, stand on their own and require no further explanation. Break through brand messages are critical to contributing to momentum.

Everything in your business must directly support the customer experience, as this will ultimately determine your success! Customers know what they want. Start by understanding the current experience. Listen at every customer touch point. Give permission to staff to provide feedback and ideas to improve. This is a lifelong skillset. Your customer experience must create a unique demand for your services. Live the experience – visit your customer delivery locations (B2C) and/or your customers (B2B) as much as you can. Build the organization around the customer experience required to win; doing this well will be a source of growth.

Growth is the result of aligning all of these factors. You will visibly see this in how staff talks about customers constantly, share and support success, work horizontally across the company, and know how to play their position most effectively.

What have you done to achieve success through acquisitions?

I believe acquisitions can act as an important momentum builder for an organization. Every company should always be assessing if an opportunity or competitive threat exists that might make an acquisition their best avenue for successful growth.

I have used acquisitions primarily for strategic growth opportunities that could not be achieved through organic means. Our company bought a small niche B2B technology company offering a complementary product that our customers were starting to demand.

This product was leading edge and not a natural complement that could be developed through our staff skillset. Not buying this company would create a long-term competitive gap if not addressed. The hard work on an acquisition starts once you take over the company. Your success in transitioning the culture and incorporating the staff can be very sensitive and time-consuming challenges.

Another acquisition I was involved in was a much larger purchase of a B2B company incorporating many staff, systems and assets across the country. This involved the purchase of assets that could not be replicated but were required to achieve our growth mandate. This was a much more complicated purchase and took a significant amount of time to achieve. Although the benefit is usually visible, acquisitions of a sizable nature can be very difficult and create risk in an organization. They can cause management and staff to lose focus on critical day-to-day objectives and create potential morale challenges during the integration period. People management and leadership visibility are critical during this period. Showing respect to the acquired companies employees past but also welcoming them into a new chapter of culture and growth is a delicate process that can challenge any leader.

I have also used small acquisitions in the B2C market attracting new owners into a distribution channel to join a larger brand. This is a more manageable process and all about the direct fit of the company into the culture of your company.

In every case, I believe the most important element of acquisition is to ensure you have a clear vision of the fit and plan to successfully incorporate the acquired company's assets, staff and culture prior to

completing the acquisition. Acquisitions can provide a fast method to acquire critical assets for your business, but like every strong result, the work is much easier said than done.

What partnership strategies have you used to accelerate growth?

Partnership strategies can be a very effective way to improve your business and create momentum for growth. I have used partners to increase revenue sharing, expand product portfolio, reduce costs, generate cash inflows and enhance the company's customer experience.

Partnerships can vary in size and scope significantly. For example, when I was in the wireless business, our company created a significant partnership with our largest competitor to share the introduction of new technology upgrades to both of our networks. The cost of expansion and research and development were so significant it brought us together with our direct competitor to diversify each company's risk. This was a first in the industry at the time and saved significant shareholder value for each company.

In the B2C segment, our company partnered with another company to expand the customer reach of our company to create a larger distribution channel for sales. Although these customers would generate a lower profit margin on average, this allowed a rapid expansion of a brand at a critical time of growth. At the time, this was not the most desired state, but one in which the costs of rapid expansion required thinking outside the box in order to achieve the revenue goals. This was effective because it was managed through the standards of our company's customer experience at a manageable margin.

In the B2B segment, our company sold a white-labelled product through our own sales force since this service was important to our customers. Our company was no longer able to deliver this service at an effective margin. Although this involved sacrificing some profit margin on a certain revenues, our customers were comfortable paying the high margins on the key products required to drive our profit objectives.

I have in a number of cases enhanced our company's customer experience through sponsorships. Partnering with companies that impact your customer experience require significant review. I have been involved in partnerships where our company has both paid for sponsorship opportunities and received funding by sponsors. Both can be very important in growing. It is very important to try to diversify the cost wherever possible to get an effective return for your investment.

Lastly, I have on a few occasions negotiated with partners to reduce direct expenses in the business by committing to volume targets. This can be a delicate process of negotiation and require a very strong sense of forecasting capability in your business. The results were significant in both cases to our bottom line earnings.

Essentially every business has key partners that should be leveraged wherever possible. In my experience, I have found that investing time with all of your partners to understand each other's goals and mutual opportunities can be extremely valuable to your business growth and bottom line.



What is your favourite book pick on this topic?

I would refer to the book [Start With Why](#) by Simon Sinek. This book focuses on how leaders inspire everyone around them to take action. I believe the only long term competitive advantage is the people you have in your company. Eventually, other companies can replicate your products or services but not the people. Creating a performance culture is a unique achievement in business as many companies lack the edge of the market leaders. I believe this approach helps drive that performance culture.

[Start With Why](#) forces you to think about why you are in business. This question is an instrumental way of understanding how to speak to customers because it requires you to understand your customer's goals. This book says that customers don't buy what you do but why you do it. When you know why customers want what they want, you will be better equipped to meet their needs. The leader of the company must tell the story to all staff about "why they do what they do" in order for employees to believe it and follow the same direction.

Our management team used this philosophy at my most recent company to assist in the key brand messages we used and how we approached our customer solutions.



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