

# The Challenges of a Private Company CEO



# JOURNEY OF KEN EDMUNDSON

- Serial CEO – Built 3 successful companies in 3 different industries



- Worked with over 1,000 CEOs of SMBs



# FINDINGS

- CEOs of companies <\$100 MM have common struggles



- Worse yet, as companies grow, CEO skills must evolve to continue building value



# REASON FOR STRUGGLES

- 3.1 million CEOs of companies between \$1 million and \$100 million in US

**Most were trained in something  
*other*  
than being a CEO**

**SALES**

**FINANCE**

**PRODUCT/  
ENGINEERING**



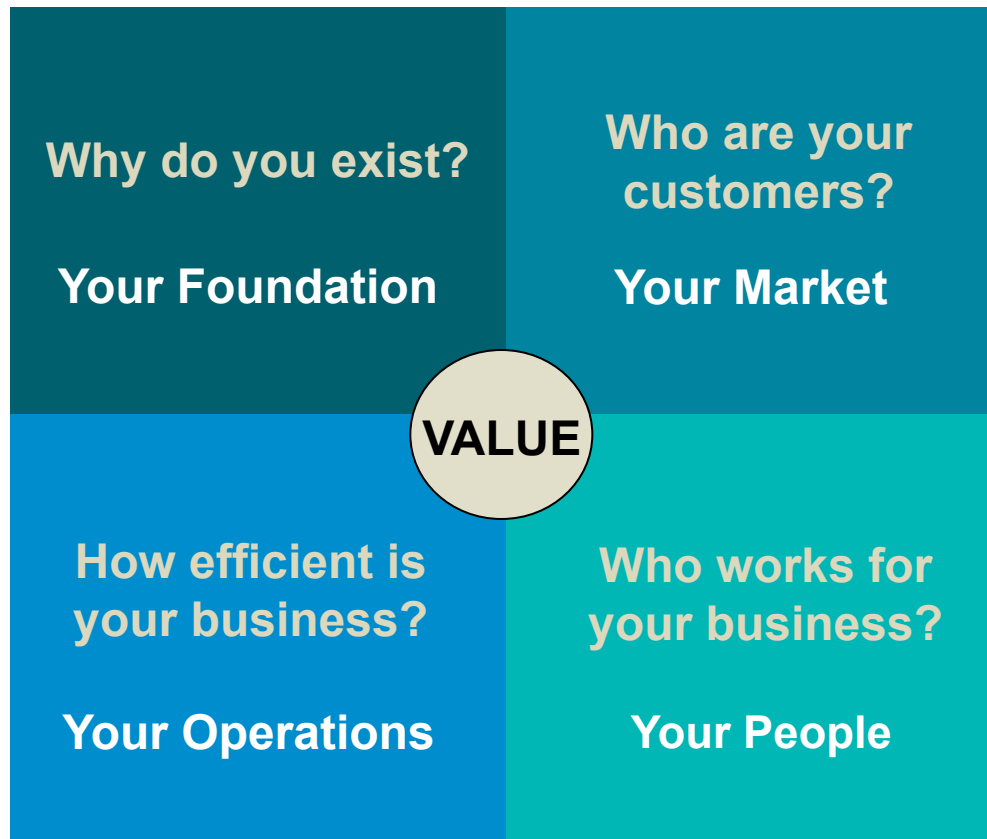
# PROFESSIONAL CEO SKILLS

- Most Fortune 500 CEOs developed CEO skills over time - *before* the board hired them



# SMB CEOs ARE LEARNING ON THE JOB

- To develop skills of a Professional CEO, start by asking 4 simple questions



# DIGGING DEEPER

**Is your foundation  
able to support your  
future vision?**

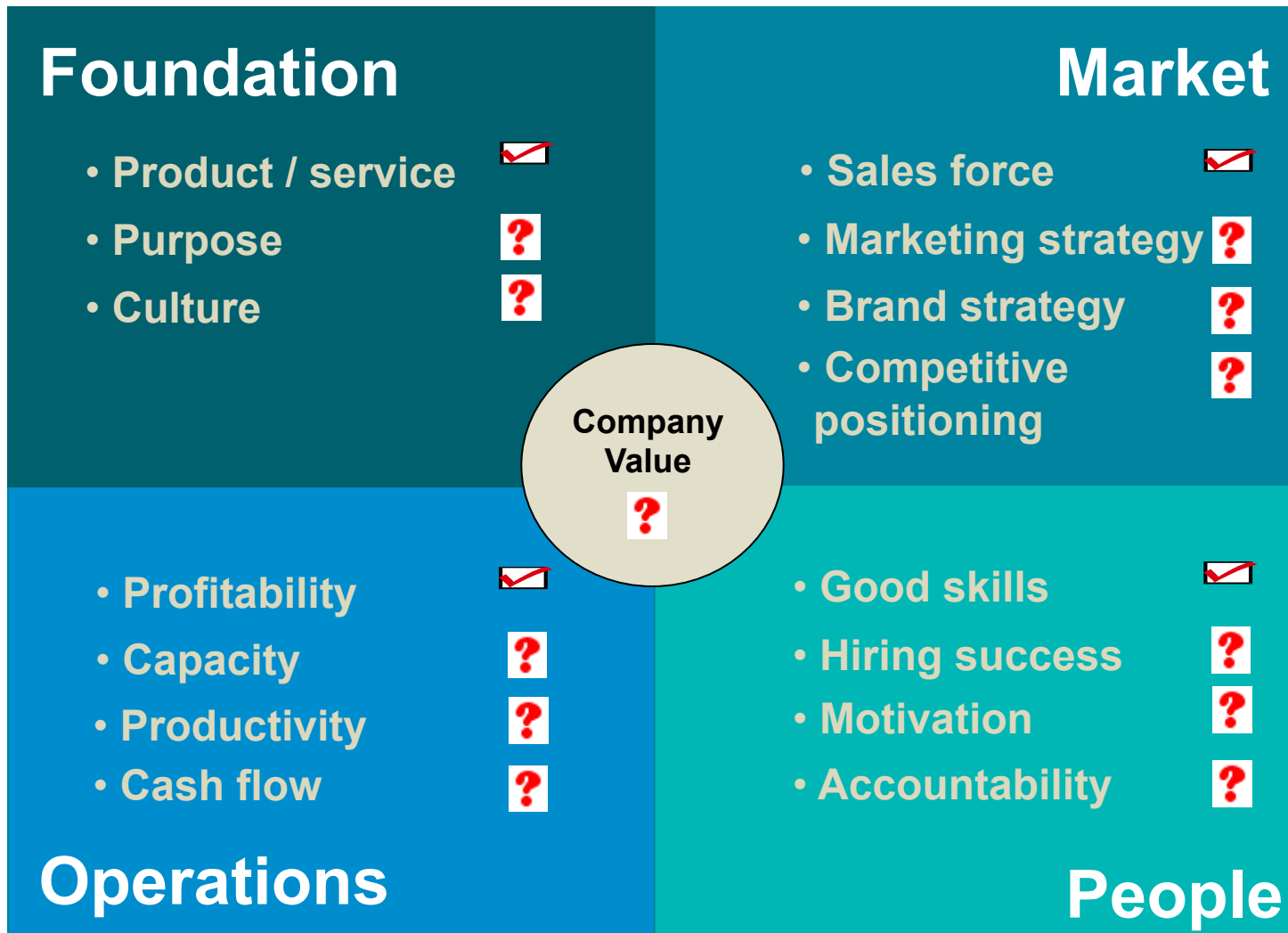
**Does your marketing  
strategy work?**

**Can your operational  
engine produce timely  
high quality output?**

**Do you have the right  
people and are they  
aligned to your vision?**



# SMB CEOs HAVE THE BASICS COVERED





# STATUS QUO CREATES IMBALANCE

**IDEAL**

**Operations**

**People**

**Market**

**Foundation**

**RARE**

**DANGEROUS**

**Operations**

**People**

**Market**

**F**

**TYPICAL SMB**



# RESULTS FROM IMBALANCE



# QUESTIONS PROFESSIONAL CEOs ANSWER

<b>F</b> <p>Even if your foundation was viable yesterday, will it be viable tomorrow?</p>	<b>M</b> <p>Are you influencing your market or is your market influencing you?</p>
<b>O</b> <p>Do you have the right balance between investing in today and investing in tomorrow?</p>	<b>P</b> <p>Does the validated assessment of your people guarantee you'll achieve your public and private agenda?</p>



# SMB CEOs ARE SEARCHING FOR SOLUTIONS



- CEO Mindspace

**Objective – To improve my business in a definable timeframe**

**So what are my options?**

**Self Study**

1,548,279 books to filter

**Seminars**

New ideas

**Training**

Specific skill development

**Consultants**

Pay them to learn your business

**Peer Groups**

Share experiences

**Mentors**

Question the answers

**Gurus**

View from top of mountain



# SOLUTION DESIGNED BY CEOs

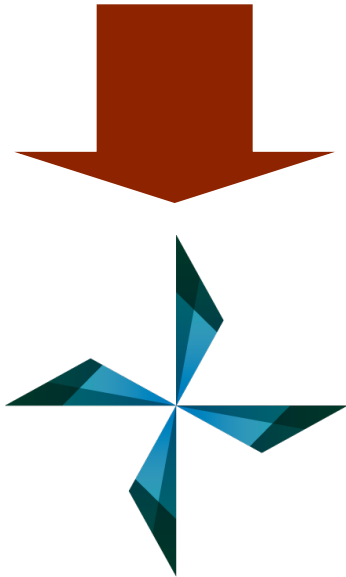
- CEO Mindspace



Imagine the power of aggregating all of these pieces together

Objective - To improve my business in a definable timeframe

Self Study	Seminars	Training	Consultants	Peer Groups	Mentors	Gurus
1,548,279 books to filter	New Ideas	Specific Skill development	Pay them to learn your business	Share experiences	Question the Answers	View from top of mountain



**SHORT TRACK**  
CEO

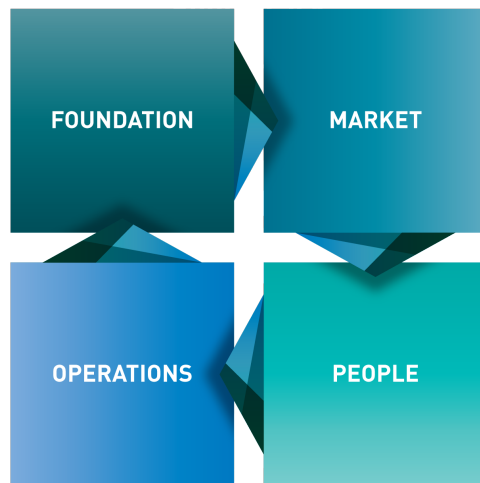


# ShortTrack CEO SYSTEM

- Business management system for leadership teams of companies < \$100 million

**FOCUSED ON BUILDING COMPANY VALUE**

ShortTrack  
STRATEGY QUADRANTS



What the ShortTrack System  
Encompasses:



**DEVELOPS THE SKILLS OF PROFESSIONAL CEOs**



# HOW THE ShortTrack SYSTEM WORKS

**12 MONTH JOURNEY**

**SEASONED CEO WORKS WITH TEAM**

**FOUNDATION, MARKET, PEOPLE & OPERATIONS**

**12 MODULES DELIVER TOOLS FOR EXECUTION**



**HELD ACCOUNTABLE AND TRACK RESULTS**



# SYSTEM FOCUS

## ShortTrack STRATEGY QUADRANTS





# FOUNDATION



FOUNDATION

- Why you exist
  - Company purpose
  - Core company values
  - Is your company culture working for you or against you?
  - Public agenda
  - Actions reinforcing core company values
  - Objective SWOT
  - Celebration & reward system
  - Clear understanding of how leadership team is motivated to enhance



# MARKET



- Who buys from you
  - Competitive positioning
  - Competitive advantage
  - Brand strategy
  - Pricing strategy
  - Distribution strategy



# PEOPLE

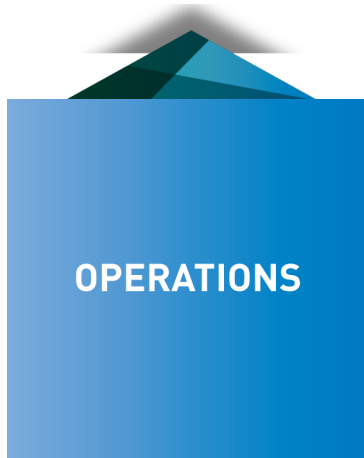
- Who makes it happen

- Strengths & weaknesses
- Managing emotions
- Cognitive orientation in business and society
- Motivation
- Interaction with others
- Emotional quotient



# OPERATIONS

- **Your efficiency**
  - True performance measurement
  - J curve management
  - Forecasting accuracy
  - 30/90 vision
  - Return on Operations
  - Cash flow management



# MEASURING VALUE - THE ULTIMATE METRIC

- Return on Operations (ROO)
  - ROO %
  - Private company derivation of Return on Capital Employed (ROCE)
  - Defined and created after 10 years of research into the applicability of ROCE for private companies
- ROO
  - Business interest rate, what % the business returns to the shareholders
  - Measures effectiveness of CEO
  - One of the few numerical measure that spans all industries; therefore can be used to assess any business in any industry of any size
  - Can benchmark against peers
  - Insight to how well the business is creating value
- Derivation of Return on Capital Employed (ROCE)
  - Developed over 70 years ago by the DuPont Company
  - Originally designed to provide business executives with a clearer, more valuable insight to their performance
  - Widely used by Fortune 500



# HOW WE TRACK YOUR BUSINESS



PERIOD

Purpose

Core Values

Public Agenda

Actions Reinforcing Values

S	W
O	T

Celebrations/Rewards

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_



MARKET

Market Life Cycle & Positioning Strategy

Value Proposition

Dominant Competitive Advantages

Sniper Advantage

Mindshare to Own

Brand Means	Brand Personality Traits
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Brand Promise

Brand Actions

Marketing Alignment Actions

Campaign Register

Currently Running

Market	Brand	Message	Target	Start	End
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Campaign Improvement Actions

FOUNDATION



PEOPLE

Operational Cash %

Last	Current	Target
<input type="text"/>	<input type="text"/>	<input type="text"/>

Profitability %

Last	Current	Target	Industry
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Activity Rating

Last	Current	Target	Industry
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Accounts Receivable Days

Last	Current	Target
<input type="text"/>	<input type="text"/>	<input type="text"/>

Accounts Payable Days

Last	Current	Target
<input type="text"/>	<input type="text"/>	<input type="text"/>

Inventory Days

Last	Current	Target
<input type="text"/>	<input type="text"/>	<input type="text"/>

Business Specific Metrics

Last	Current	Target
<input type="text"/>	<input type="text"/>	<input type="text"/>

Last	Current	Target
<input type="text"/>	<input type="text"/>	<input type="text"/>

Last	Current	Target
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J Curve Summary

Last	Current
<input type="text"/>	<input type="text"/>

Phase I

<input type="text"/>
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Phase II

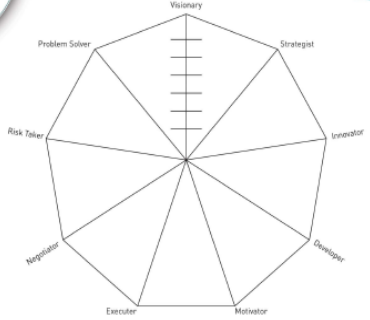
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30/90 Vision

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Critical Behaviors

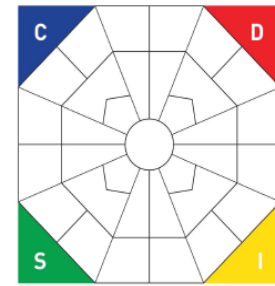
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9 Ratings

6+ Ratings

6- Ratings



EQi

Area for Development	Enhanced Functioning	Enhanced Skills
Total EQ	<input type="text"/>	<input type="text"/>
IntraPersonal EQ	<input type="text"/>	<input type="text"/>
InterPersonal EQ	<input type="text"/>	<input type="text"/>
Stress Management EQ	<input type="text"/>	<input type="text"/>
Adaptability EQ	<input type="text"/>	<input type="text"/>
General Mood EQ	<input type="text"/>	<input type="text"/>

CENTACS

- N: Need for Stability
- E: Extraversion
- O: Originality
- A: Accommodation
- C: Conscientiousness

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# ShortTrack CEO TEAM

- **Collection of experienced professionals with a proven track record**
  - Managing businesses from internal CEO and executive roles and improving businesses as external consultants
- **Ken Edmundson**
  - CEO of Edmundson Northstar
  - 30 years executive experience
  - Built 3 successful businesses in 3 different industries
- **Nick Setchell**
  - CEO of Practice Strategies, creator of Fiscal Focus
  - 22 years executive experience
  - International Award winning Vistage speaker
- **Jim Sagar**
  - CEO of Moderandi, creator of Marketing M.O. and Growth Panel
  - 14 years of executive experience
  - SMB marketing expert



# CEO LEARNINGS

**“We need to build our competitive advantage”**

**“I don’t have to get bigger to get better”**

**“I’ve been looking at the wrong numbers”**

**“We’re choking from too many J Curves”**

**“I have the wrong people leading my company”**

**“I’m revamping my entire marketing strategy”**

**“We need to be held accountable.”**





## Learn More

- [www.ShortTrackCEO.com](http://www.ShortTrackCEO.com)



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