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6385 Old Shady Oak Road, Suite 260, Minneapolis, MN 55344

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www.proutyproject.com

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**"C" NOTE QUOTE:**  
"We don't gauge our happiness by their grades, but by the effort they make. I'd rather they get A's and D's than C's and B's; I want them taking chances."

● **If you know who said this quote**, please send an e-mail to [kari.baltzer@proutyproject.com](mailto:kari.baltzer@proutyproject.com) or call 952.942.2922 by **Friday, July 30** – one guess per individual. If we have more than one correct answer, we throw those names into a hat and draw the winner of a \$100 gift card.

**And last issue's winner is... Bob Stewart, Platinum Group, Eden Prairie, Minnesota.**

Bob knew that Bahram Akradi, Founder and CEO of Life Time Fitness, said the following: "Stretching in small ways prepares us to take wider leaps. From there, it becomes far easier to heed the call of the bigger adventures and opportunities that present themselves in our lives. It also becomes easier to rise to our highest callings, which almost always lie beyond the threshold of daily convenience."

**Congratulations Bob!** Bob shared, "I am directing this prize to Cheetah Development, <http://cheetahdevelopment.org/>, a non-profit whose innovative model of investing in East African entrepreneurs will dramatically accelerate economic growth in that part of the developing world. Through Cheetah, this \$100 will feed, clothe, educate, and provide medical care for **three** children FOR LIFE. Not bad!"



**Warren, Erik, and Dolly**

It's been a mind-bending 2nd quarter, with lots of inspiration:

**Berkshire Hathaway Shareholders Meeting; Omaha, Nebraska:** To see Warren Buffett and Charlie Munger in action in front of 35,000 shareholders is a "must" for anyone in business. Warren's most quotable quote: "When I write our annual report – always about 12,000 words – I write it for my two sisters. I want them to understand how I'm thinking about the business. Dear Doris and Birdie..."

**Erik Weihenmayer Speaking to 200 Clients and Friends; Minneapolis, Minnesota:** Erik, though suffering from food poisoning, gutted it out with big doses of humor and wisdom. Erik's most quotable quote, regarding positive pessimism: "We have to move into a smaller home, but at least my mother-in-law will be able to move in."

**Dolly Beaver, Founder of the Angels of Amazon; Esperanza, Peru:** We just returned from STRETCH 2010 in the Amazon, where we had a chance to meet and work with Dolly. Dolly's most quotable quote: "Live life, don't let life live you." Noodle on that quote for a few days.

Have a mind-bending (i.e., stretching) 3rd quarter, and we'll see you soon in our **creative think tank** or **strategic leadership lab**.

[jeff.prouty@proutyproject.com](mailto:jeff.prouty@proutyproject.com)



## ● STRATEGIC PLANNING

# Business War Games



[mike.felmlee@proutyproject.com](mailto:mike.felmlee@proutyproject.com)

Article by  
Mike Felmlee



More than 2,000 years ago in the Battle of Cannae, Hannibal led an army of tribesmen from the tiny city-state of Carthage and defeated 72,000 legionnaires from the mighty Roman Empire. Despite being outnumbered by 2 ½ times, Hannibal won this famous battle because he had accurately assessed the initial positions of his opposition, their first move, and their responses (or lack thereof) to his counter moves.

We had the opportunity to work with “TJ”, VP Sales of a Fortune 500 technology company (name changed to protect confidentiality). His organization is a pioneer in the industry and had created a new line of business. As the market leader, Tim had seen the company’s market share deteriorate significantly over the previous decade in a fiercely competitive environment. In the past five years, four of his predecessors had failed to change the trajectory of its market share decline. Tim was not about to be the fifth.

As part of his strategic planning process, we used a technique called “war gaming” based on the best seller entitled, ***Business War Games: How Large, Small and New Companies Can Vastly Improve Their Strategies and Outmaneuver the Competition***, by Benjamin Gilad, Ph.D.

Ben, the undisputed master of war gaming, defines war gaming as follows:

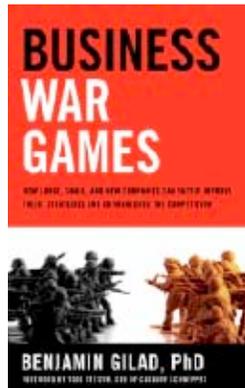
***“War gaming is nothing more than role playing in order to understand a third party, with the goal of answering: What will the opponent do? What then is my best option?”***

To gain a better understanding of their top two competitors, we gathered a multi-disciplinary group of 14 leaders together and utilized the following four-step approach:

### **STEP 1: Developing competitor profiles.**

We separated the group into three smaller groups representing the company and its two main competitors. The competitor groups were comprised of a few former employees of the competitor companies.

We provided them small briefing packets for each company prepared by the company’s in-house marketing personnel. Each group created a 1-page profile highlighting its history, culture, strength of sales force, bottom line expectations, a sense of how their executives think, and the importance of this particular business line within its business portfolio. This information was then shared with each of the other teams.



### **STEP 2: Identifying competitor “hot spots” and “blind spots.”**

The small groups were then asked to design a preliminary plan to beat their competitors (increase their market share) based on their level of satisfaction of their current market share and a thorough discussion of their “hot spots” and “blind spots.” This information was also shared with each of the other teams with the exception of their preliminary “attack plans.”

### **STEP 3: Developing “attack plans” and engaging in battle.**

The small groups finalized their “attack plans” based on the previous discussions and came back to the larger group to engage in battle. A lively and spirited discussion followed whereby colleagues assumed the personalities of their companies and actually participated in a series of attacks and counter moves against each other.

### **STEP 4: Create a new plan to “proof itself” against competitors.**

When the dust finally settled, two new teams were reconfigured using participants from each of the three smaller groups. Their objective was to work together and create a plan for the host company to “proof itself” against its two main competitors.

This was an amazing process which provided some very interesting perspectives for the senior leadership team as they prepared to finalize the strategic plan for the organization.

Let us know if you would like some help “war gaming” as part of your strategic planning process. We’d love to help you!!

***“You don’t need 100% accuracy to improve your plan odds of success. All you need is a realistic and pragmatic assessment of your competitor’s most likely responses.”***

~ Benjamin Gilad, Ph.D.

## ● ORGANIZATION DEVELOPMENT

# The Alchemy of Leadership: The Message of Erik Weihenmayer



[peter.bailey@proutyproject.com](mailto:peter.bailey@proutyproject.com)

Article by  
Peter Bailey

As many of you know, we had the honor of hosting Erik Weihenmayer, the only blind adventurer to summit Mt. Everest, at an Executive Round-table and an Invitational Leadership Breakfast this past May. We also helped Erik and the Board he serves on, No Barriers USA, Inc., to develop their strategic plan.

**“No Barriers is a powerful community of modern day pioneers who use the experience of nature to promote innovation, education and assistive technologies that create transformative life experiences and inspire people with challenges to live full and active lives.”**

It is hard to say “no” to the collective ambitions of the No Barriers Board: **Erik Weihenmayer**, a blind man who climbed 29,029 feet; or **Mark Wellman**, a paraplegic, who climbed the 3,000 foot cliff of El Capitan in Yosemite Valley; or **Mike Savicki**, a quadriplegic, who has maneuvered himself across the Boston Marathon finish line 16 times; or world-renowned climber, **Dr. Hugh Herr**, Director of the Biomechatronics Group at MIT who designs high-tech prosthetics to enable people without legs, like him, to walk and run; or **Bill Barkeley**, a man whose lost hearing and sight did not prevent him from climbing Mount Kilimanjaro and who is currently in the mountains of Peru, working with deaf teenagers.

Each of these incredible people, deemed “handicapped, disabled, or incapacitated” by the mainstream have accomplished more than you and I ever will with our present and only temporarily-able bodies.

***What is it that has lead each of them to struggle to get out of bed every morning, take on extreme physical challenges, and then focus on giving back to others who are similarly challenged?***

To explore that question, I am reminded of a few messages Erik shared during his time with us. At one point he described his curiosity with alchemy, that medieval science purported to turn lead into gold. Somehow, Erik, Mark, Mike, Hugh and Bill went way beyond “*getting a lemon in life and making lemonade*,” they pioneered a way to take “lead” (pronounced led), and change it to “lead” (pronounced leed) to find that through their *own* leadership they were able to create gold in the hearts and minds of the people whose lives they change every year.

Erik also shared with us many poignant glimpses of his struggle to climb Mt. Everest. One particularly low point transpired after it took him 13 hours to cross the



**Back row:** Erik Weihenmayer, Nicole Deters-Spader, Jeff Prouty, Bill Barkeley, Grayce Belvedere Young, Peter Bailey

**Front row:** Mike Savicki, Mark Wellman

Khumbu Glacier. Physically exhausted and disappointed, his mind worried whether he was up to the challenge, whether his attempt of the mountain was foolhardy, or worse, that he was endangering the lives of his friends and colleagues. He realized that what was going to turn him back from the challenge was not the mountain, but his mind. He then remembered a Tibetan meditation that calmed him and clarified what he needed to do. ***“The nature of mind is like water; if you do not disturb it, it will become clear.”***

Each of the members of the No Barriers Board had to come to that point, in their own dark nights of the soul. They had to stop the whirring voices of naysayers and find the quiet inner certainty which fueled their conviction.

The following quotes and key messages were passed on from Erik and the Board during the time we were with them. We share them with you as an inspiration to overcome your perceived barriers:

1. “When we rope up with great people, we can change the world.”
2. “Leading by example – letting leadership exude through your every action.”
3. “Leadership is contagious.”
4. “Develop a pioneering mind-set.”
5. “If you can’t get to the top of the mountain, reframe success.”
6. “Focus on each moment . . . and celebrate each step gained.”
7. “The greatest things in the world can’t be seen or touched, they have to be felt through the heart.” ~Helen Keller
8. “I am only one, but still, I am one. I cannot do everything, but still I can do something, and because I cannot do everything, I will not refuse to do something that I can do.” ~Helen Keller
9. “What was turning me back from the challenge, was not the mountain, but my mind.”



## CEO PROFILE

# Volker Petersen, Brown Printing Company



Prouty has had the distinct pleasure of working with Brown Printing Company (\$400 million company) of Waseca, Minnesota this past year. As we are nearing the completion of an engagement, I asked Volker Petersen, CEO of Brown, to share some of his perspectives on the publishing industry, leading a company in an evolving marketplace, and being a CEO.

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www.proutyproject.com  
6385 Old Shady Oak Road, Suite 260  
Minneapolis, MN 55344



Interview by  
Grayce Belvedere Young

[grayce.belvedere.young@proutyproject.com](mailto:grayce.belvedere.young@proutyproject.com)

### What advice do you have for others interested in being a CEO?

- Take risks.
- Take charge.
- Learn to motivate people.

### As you think broadly about your career, what is one risk you have taken?

On both a personal and professional front, my family and I were willing to move several times to take advantage of different growth opportunities. First, I moved from my native home in Germany to Iowa to complete my Master's and Ph.D. in Industrial Engineering. With Brown, I have moved to L.A., Nashville, back to Germany (twice), Chicago, and Minneapolis. Every move has created new opportunities (and challenges) for me and my family.

If you are not willing to take risks, such as moving to a new location or a new position, you can't advance and you deprive yourself of options. If you play it safe, you won't be a CEO.

### Thinking more recently, what is a situation in which you've taken charge?

The publishing industry is in a state of change, driven by two primary factors. First, of course, the recession, and second, the rise of new media – the Internet is competing with other media for the limited time and attention of the consumer. The publishing industry hit a peak in 2007 and since that time, there has been a loss in demand by about 35%. Our Executive Team has been watching this very closely over the last several years and recognized that we needed to take charge and adapt our business to the changing dynamics in the marketplace.

Brown had to change. We knew that we needed to get better at defining new products and services for our customers. We needed to find ways to help our customers run their businesses more efficiently and that required some significant internal changes for us.

### What were some of those changes?

We needed to have deeper customer knowledge throughout our organization which evolved into an end-to-end reorganization and change effort. Naturally,

we started this effort by gaining alignment among the Executive Team and this meant looking very realistically at our business – our strengths, our weaknesses – while defining our future direction. Alignment among the Executive Team presented a challenge as we were coming from different perspectives, and several executives had been running their respective businesses fairly independently. This reorganization would change that, and that was uncomfortable.

We also recognized that if it was uncomfortable for us, we knew it would be difficult for our employees. Therefore, we engaged in an effort to involve all levels of employees in the redesign and change effort. We spent several weeks off site over the course of five months with nearly 50 employees to redesign our business. In addition, those 50 employees sought further input from their colleagues to offer even more insight and ideas into the design.

We placed great emphasis on the design itself. For example, we knew that we needed a process to gather and analyze customer information in different ways, and that we needed to be able to respond to our customer intelligence once we had it. This involved work flow changes, roles and responsibility changes, and so on. Employees helped us with the minute details of these changes. It's been quite a journey for our organization and we have seen many employees take charge and demonstrate great leadership.

### Your third piece of advice is learning to motivate people. How have you done this during the reorganization and change effort?

By being willing to spend time understanding what drives people and help them to be excited about their work. I focused on appealing to what is important to them and creating a connection back to the business strategy in order to show the future picture and their part in the picture.

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**THANKS!**