



“The Triumvirate”

The Right Management Team Leads to Value Creation

In working with the management teams of more than 60 successful growth companies, there is a consistent pattern of events within the planning process. First, given many core strengths and competencies, the ability to articulate clear, compelling organic growth, add-on acquisition, profit improvement and infrastructure strategies, although requiring rigor, can be achieved efficiently. Second, once the strategy is in place, the key question becomes ... “Are we set up to execute with excellence?”

The old but still relevant axiom about talented leadership applies – high quality, consistent execution is based upon getting the “right people in the right jobs, doing the right things.” The starting point for having the right people is what I refer to as the *Triumvirate* and it exists in all successful companies.

The Triumvirate looks this ...

- **The CEO** The best performing Chief Executives are firmly grounded in the key dynamics and requirements for the business in the immediate term – and – have a compelling vision for where the business needs to go in order to maximize value. These requirements oftentimes are in conflict. The need to deliver monthly or quarterly results can lead to decisions which will compromise longer term growth strategies. However, a pressing concern is the fact that there is no such thing as the long-term without the short-term. The best CEOs can successfully lead the team against these requirements in parallel, in real-time.
- **The CFO** The best performing companies all have a dynamic Chief Financial Officer. The distinction between a great CFO and a quality Controller is an important one. A great controller can rack up the numbers accurately and on a timely basis; an important function. However, in growth companies, that is not enough value to be derived from the finance discipline. Enter the proven CFO, an executive who can add significant strategic and operating value, in addition to the finance requirements. The CFO needs to be well-versed enough in the business in order to be the person who asks the difficult questions and challenges the senior team about new strategies and initiatives, helps them understand the implications of what is being considered, and helps find ways to enable new strategies to be executed effectively.

- **A Strong No. 2** Finally, there is a strong number two executive. Sometimes, this person comes from the sales and marketing discipline, and, in other cases, from operations. The specific background does not matter. What matters is that this is the individual who makes all the trains run on time, the one who ensures that execution of the business happens at the highest quality levels and across all disciplines. As we all know, a mediocre strategy executed well beats an excellent strategy executed with mediocrity every time. The strong number two leads the effort to execute with excellence, all day, every day.

Yes, oftentimes, there are more members of the senior team who create real value. However, if short-term/long-term CEO, true CFO and strong No. 2 are in place, my experience suggests that excellent returns will be realized for all stakeholders at far greater rates. Unfortunately, the corollary is also true – without the Triumvirate, results are often compromised.

Right along with continuously challenging your growth and profit improvement strategies, it is critical to your value creation efforts to ensure that the Triumvirate is in place.

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Today's dynamic marketplace requires clear strategies, resource allocations and executional plans in order to realize value. I hope you find “The Triumvirate” helpful to you in your business development process.

Apex Growth Strategies is a management consulting firm focused on helping both companies and private equity firms identify and maximize strategies for profitable growth. Given our core practice areas of strategic planning, exit planning, business development and due diligence, we have had the opportunity to work with companies that range in size from \$10 million in revenue to more than \$1 billion dollars annually, in an equally wide range of industries, including consumer products, software, healthcare, financial services, retail and manufacturing.

We would welcome the opportunity to speak with you about your business opportunities and challenges. Please feel free to contact me anytime.

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