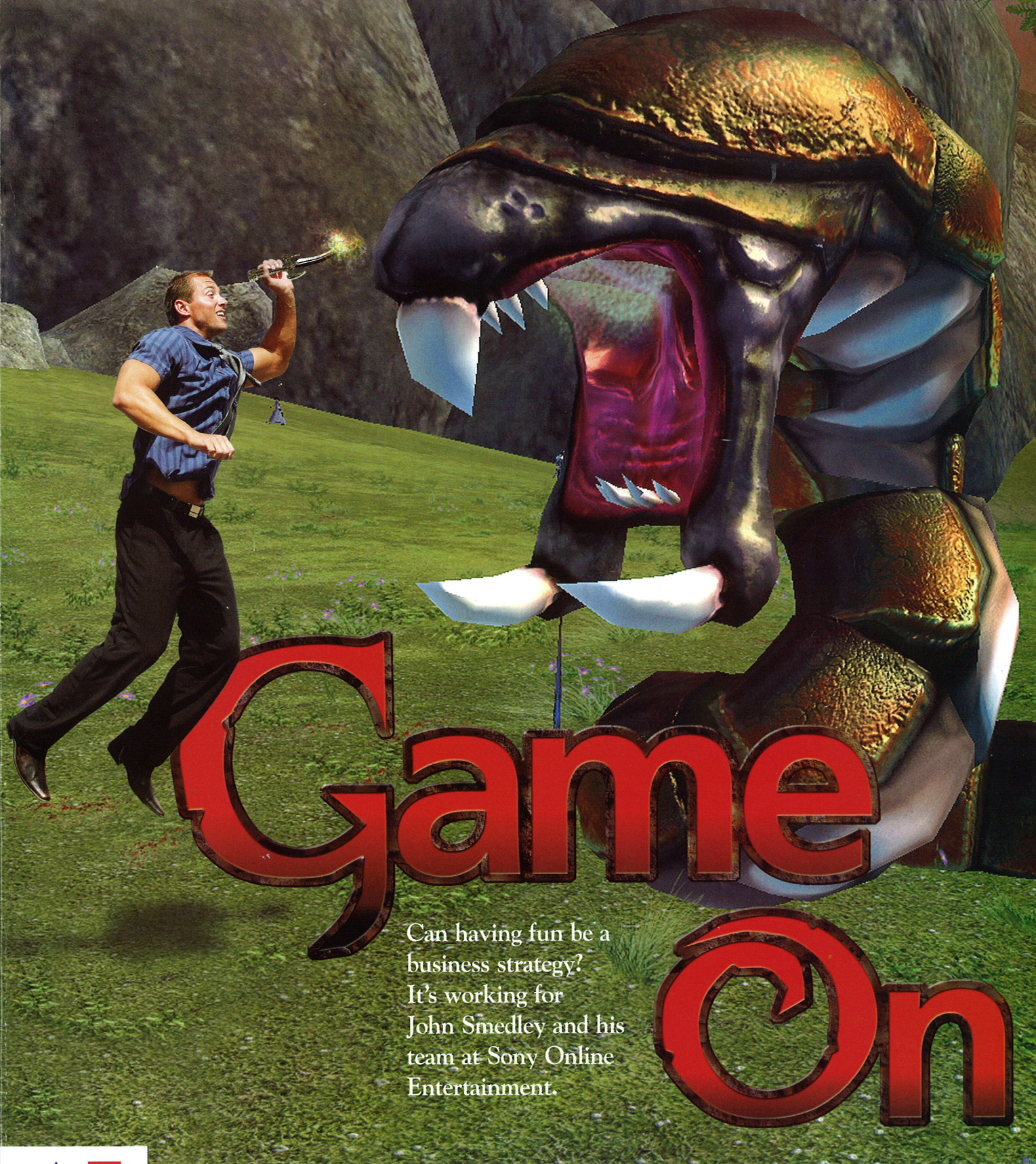


AMERICAN EXECUTIVE

Where Leadership Begins

DECEMBER 2007

\$5.00 US \$6.00 CANADA



Game On

Can having fun be a business strategy?
It's working for John Smedley and his team at Sony Online Entertainment.

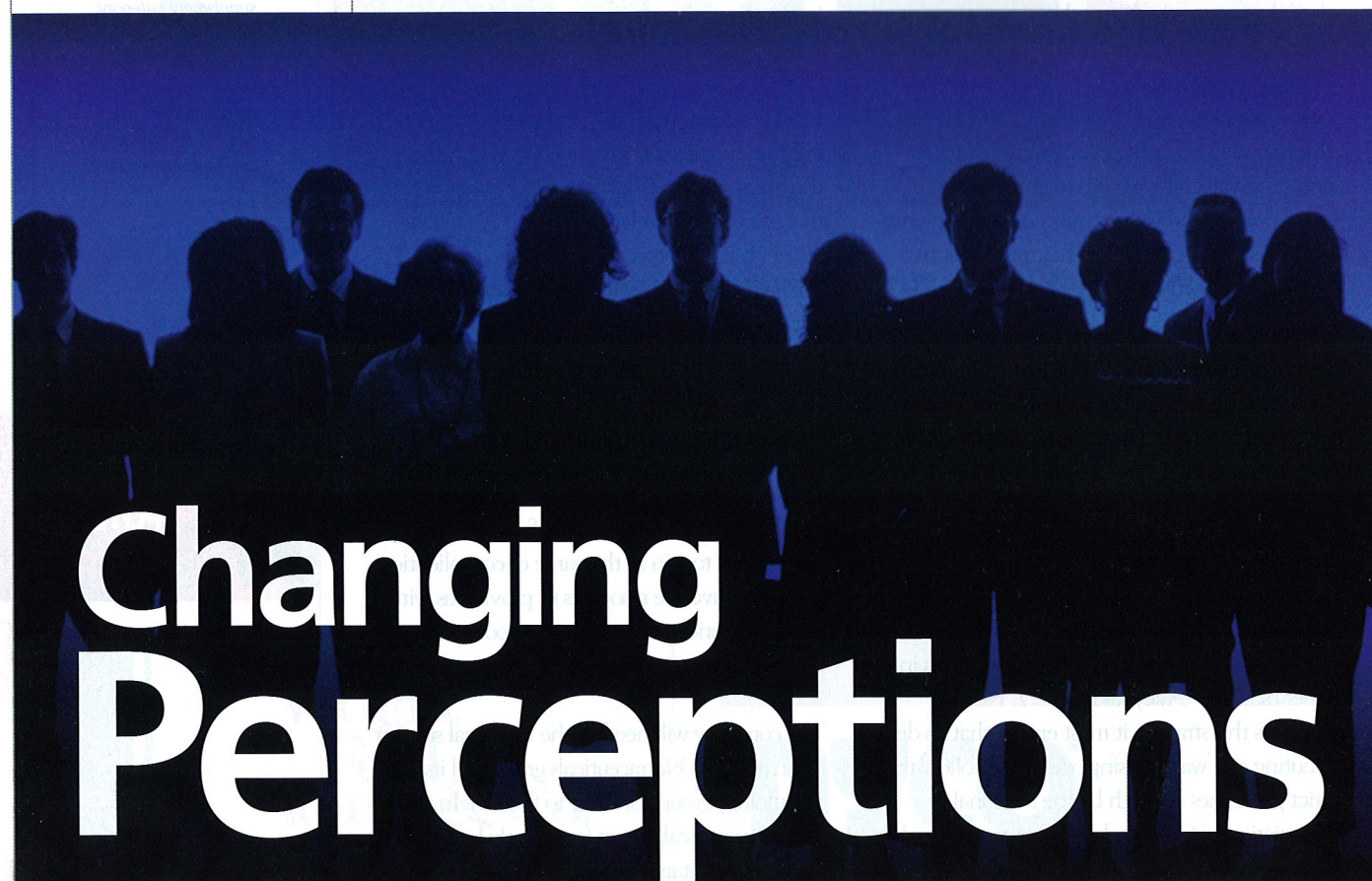


WWW.AMERICANEXECUTIVE.COM VOLUME FIVE ISSUE TWELVE



Gary Maag and David Kalinowski
describe this company's mission to bring competitive
intelligence to the forefront of business.

Proactive Worldwide



Changing Perceptions



David Kalinowski

The words competitive intelligence might conjure up images of midnight rendez-vous, secret handshakes, and scrupulous business practices—and that is exactly the perception Gary Maag and David Kalinowski are trying to dispel.

"Globalization is creating hyper-competition in the business environment, making competitive intelligence more important than ever. Companies are drowning in information but starving for intelligence, and it is our job to help them sort it all out to enable them to make smart decisions," said Maag, CEO of Proactive Worldwide, a Rolling Meadows, Ill.-based competitive intelligence consulting firm.

Redefining CI

Maag explained that in the past, competitive intelligence was offered as a value-added service, and as a result, advertising/marketing agencies, traditional market research firms, management consulting firms, and others entered the industry without a full understanding of what competitive intelligence means in today's cutting edge business environment. "It's no longer a 'nice to have' service. It is a 'must have.' If companies don't evolve and make adaptive changes, they will never cross the finish line before the competition does," he said.

That is why Maag and Kalinowski, president, have dedicated themselves to changing the

perception of competitive intelligence. "If we don't raise the bar and emphasize its importance, competitive intelligence won't become the essential component of every successful business that it is meant to be," said Maag. And changing perceptions starts with building an ethically grounded business model.

According to Kalinowski, Proactive Worldwide uses a 55-step, low-risk process for gathering competitive intelligence that starts with identifying the topics and questions clients want to address. "Our clients want to know where their competition is, where they are going, and how they want to get there. We first engage in secondary intelligence gathering—whatever already exists in print. But this brings no real advantage to our clients because everyone has access to this information, and it tends to be outdated," he said. The real advantage is Proactive's ability to gather primary competitive intelligence by speaking first-hand with the employees of its clients' competition within strict legal and ethical guidelines.

Proactive speaks with those outside the competition, including industry observers, trade analysts, customers, suppliers/vendors, and partners, and works its way inward, engaging former and current employees in various departments. "We use a series of eliciting and bracketing techniques and suggestive and challenging statements. We avoid survey-type questions to engage people in free-flowing dialog," said Kalinowski.

Maag added that the process to confirm all the information gathered during this process is quite sophisticated. "We have clients making multi-million and multi-billion dollar decisions in part based on the intelligence we gather. It has to be highly accurate."

And that is where technology lends a hand. Proactive is currently enhancing its ERP system, implementing cutting-edge CRM tools, and developing a set of analytical tools to help consultants identify market trends and create reasoning models. It is also creating a proprietary Web portal where clients can interface with the company with a greater level of security than is provided through typical e-mails. "The intelligence we gather is so sensitive that we have to take security seriously, which differentiates us in the marketplace," said



Kalinowski, adding that the company uses biometric log-in/password technology and has built a virtual fortress to protect registered users accessing the system remotely.

Creative culture

Despite having only 40 employees, Proactive Worldwide considers its culture Google-esque, and with foosball table, dart boards, a coffee bar, collaboration areas, and relaxation rooms, it should. "We find that the atmosphere we have created allows our consultants to collaborate to resolve our clients' problems," said Maag. In fact, the company has created a culture committee to allow employees to help sculpt the environment in which they work.

Of course, establishing a culture based on creativity and collaboration starts with training. New hires go through an intensive three-month boot camp that combines on-the-job training with classroom sessions to teach them all of the functional and technical skills required in their particular roles. The company is also in the process of instituting Proactive University. With a curriculum that includes leadership training, giving and receiving feedback, and personal productivity, the program will help students advance their careers. "We are developing the core curriculum to include business acumen that companies don't typically focus on," said Kalinowski.

Maag added, "We are looking for tomorrow's leaders and champions, not only in competitive





intelligence, but in business in general. The extraordinary opportunities for training that we offer are key selling points for us."

Aside from training opportunities, employees are enticed by a pay-for-performance environment and uncommon benefits such as a 100% 401(k) match on the first 4% contributed, 100% in-network PPO coverage, and birthdays off with pay. Proactive also pitches in to fund employees' health club memberships and allows employees to accrue vacation time faster than most companies.

Dream manager

But Proactive is offering more than an exceptional training program—it is offering its employees the opportunity to, quite literally, achieve their dreams. This year, it implemented the Dream Manager program, inspired by Australian author Matthew Kelly's most recent book *The Dream Manager* (Hyperion, 2007). Maag and Kalinowski believe that rather than leading by carrot or stick, every company needs to lead by dreams.

About two-thirds of the company is participating in the Dream Manager program. The first

step is to identify 100 dreams in 12 areas, including intellectual, financial, spiritual, and emotional. With the support of a dream manager, employees then map out an action plan to achieve those goals, which can range from owning a house to running the Chicago Marathon. "One employee had a very simple goal: find trustworthy childcare, and we provided the support to make that dream come true," said Kalinowski.

A dream board hangs in the cyber café to not only help employees feel accountable for their own dreams, but help them to keep track of their coworkers' dreams and offer moral support when needed.

Of course, some dreams ultimately lead to an employee leaving the organization, but Maag and Kalinowski are okay with that. "We started this business in 1995 with a desire to help people. If someone wants to be the brand leader at a *Fortune* 500 company, we are more than willing to help that person fulfill that dream. It gives us a sense of satisfaction. And when one person leaves, it opens up the door for us to influence the next person who joins our organization," Maag concluded. ■

—Liz Jones



ROLEWICK & GUTZKE, P.C.
ATTORNEYS AT LAW

Estate Planning ■ Family Business Planning
Employment Audits ■ Business Litigation ■ LLCs
Real Estate ■ Tax Planning ■ Wills ■ Contracts
Elder Law ■ Wealth Management ■ Corporations
Trusts ■ Professional Standards and Misconduct
Construction Litigation ■ Succession Planning



1776 South Naperville Road Suite 104 A ■ Wheaton, Illinois 60187
PHONE: (630) 653-1577 ■ FAX: (630) 653-1579
www.RGLawfirm.com ■ E-MAIL: RG@RGLawfirm.com



CONNECT WITH THE POWER OF...

PROforma

A Complete Line of Corporate Logoed Wearable
and Promotional Products

Proforma Customized Promotions

532 Kenilworth Drive
Schaumburg, IL 60193
847-985-9030
dick.wilson@proforma.com
www.proforma.com/CGP