

THE MANAGEMENT JOURNAL FOR CORPORATE GROWTH

SmartBusiness™

a SMART BUSINESS NETWORK® publication

Electronically reprinted from December 2005

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ONE ON ONE

How Andrew Berlin makes money for Berlin Packaging customers

FAST LANE

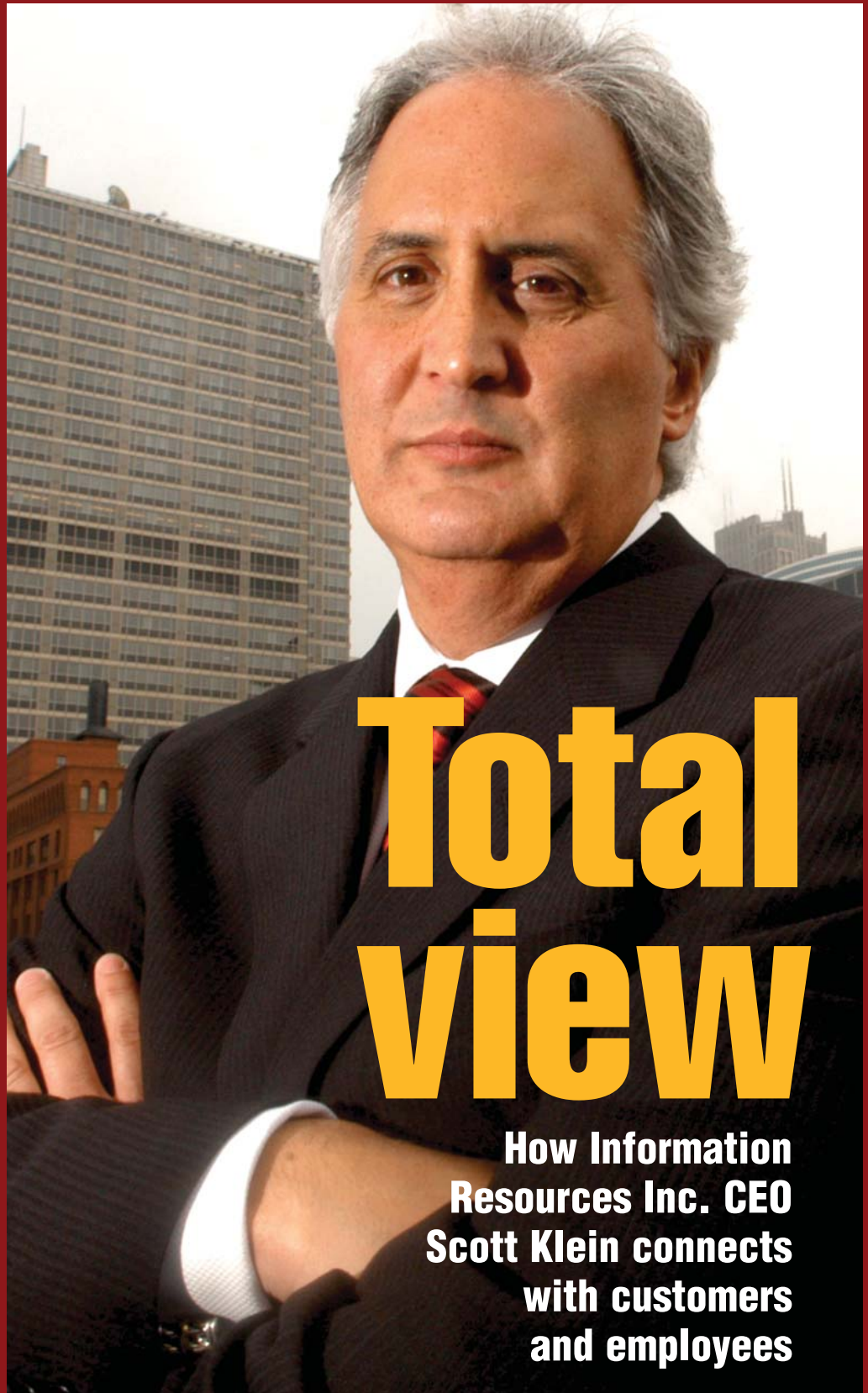
Joseph Krusinski grew Krusinski Construction by sharing leadership

LEGAL AFFAIRS

Mediation can help you solve disputes quickly and efficiently

MICHAEL FEUER

When to become a benevolent dictator



Total view

How Information Resources Inc. CEO Scott Klein connects with customers and employees





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“Call me Scott.”

When the CEO of a company with global revenue of more than \$570 million kicks off an interview like that, it's a good indication that he is an unpretentious person who doesn't stand on ceremony. As president and CEO of Information Resources Inc., a provider of market data, consumer intelligence and management solutions for the consumer packaged goods, retail and health care industries, Scott Klein is a man of some influence and responsibility.

His company has 2,800 employees, 700 at corporate headquarters in Chicago and the rest in offices

around the world. Those employees manage a vast web of integrated information for companies including PepsiCo, Kellogg's, Anheuser-Busch, Target and Johnson & Johnson that reflects point-of-sale data from more than 32,000 retail outlets in the United States and the buying decisions of 110 million households.

But with those three words — “Call me Scott” — Klein instantly does away with any sort of formal hierarchy. The invitation to use his first name comes across as the verbal equivalent of a welcoming handshake and a friendly slap on the back rolled into one. Within minutes, we're talking like we've known each

other for years.

Forging that personal connection is about more than being sociable. It also reflects the high value this leader places on relationships. And he's been working hard to forge and foster good ones with both customers and employees since he came on board at IRI in January 2004.

Those efforts are paying off. Last year, IRI earnings hit a 12-year high, and sales are growing at double digit rates.

“2005 will be the most profitable year in the company's history,” says the 48-year-old Klein. “Every contract except one that came up for renewal has been renewed. In the same period, we've landed three dozen major

BY LAURA TAXEL

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Scott Klein, president and CEO, Information Resources Inc.

new clients in the United States and Europe. And in the 20 months I’ve been here, turnover, which was a huge problem, has decreased by half.”

But he doesn’t suggest that he deserves credit for these achievements. That credit, Klein insists, should go to IRI’s customers and staff.

“I start from the point of view that clients determine our success,” says Klein. “Without them, the rest of us have nothing to do. So the goal in business is to get people to choose us over the competition. To do that, we have to listen, find out what they need, constantly look for ways to serve them better and show that we can deliver more value than anyone else.”

Achieving this, he says, requires a highly motivated, creative and well-trained staff. And to recruit and retain the best, Klein has committed to making IRI what he calls “a destination place of employment.”

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have a good time in the process, things go better.”

Being a leader

Klein became CEO and president of IRI at a time of great change — the company had recently been acquired by Silicon Valley entrepreneur and billionaire Romesh Wadhvani’s Symphony Technology Group. A major restructuring was initiated and the company invested \$300 million in a new grid computing platform called MarketKnowledge that facilitates advanced store-level and consumer insights and analytics.

All this was prompted by the need to turn the company around. The pioneering shopping data provider had, in Klein’s words, lost its edge.

“Innovation is in the company’s DNA,” says Klein. “But at some point, leadership may have gotten too comfortable. We’ve recommitted to being the catalyst that helps the industries we serve reinvent themselves.”

Technology is enabling that transformation. The objective is to provide 100 percent accurate data to all clients all the time, allowing them to act quickly and make better-informed decisions to optimize sales and profits. Utilizing the next generation of measurement tools is

essential but Klein knows that in the long run, people make the difference and power the company’s performance.

“Leadership is the ability to teach individuals and organizations to surpass themselves,” says Klein. “My job is to get employees to see where we’re going and how we’re going to get there.”

The best leaders, he says, are able to paint that picture in vivid colors and inspire everyone to pull together.

“Everybody who works here, from the administrative assistants to division managers, knows the mission,” he says. “They realize that if they’re spending time and effort on anything that doesn’t contribute to what we’re trying to do, it’s a distraction. And they understand how their job relates to everyone else’s.”

Communication is critical to that understanding. That’s why Klein has members of the senior management staff talking together for an hour via conference call every month, and once a quarter, there’s a dial-in global town hall meeting. Because Klein values input from everyone in the organization, he pursues it aggressively.

At a global leadership meeting last year, he asked the 100 people in attendance to go home, think about what the company needed to do to be more suc-





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successful and give him three suggestions. “About 42 responded,” Klein says. “So I personally called the other 58. They'd say, ‘Oh, I didn't know you really meant me.’ This year, I made the same request to the same group, and I heard back from 98 people.”

He's also meticulous about follow-up.

“If someone promises me something by a specific date or time and doesn't deliver, that person will get a call or an e-mail from me,” he says. “If I say, ‘You'll hear from me in two weeks,’ on Day 15, you do.”

And he's convinced that modeling this keep-your-word behavior prompts others throughout the organization to do the same.

Building employee relationships

To proceed on its growth trajectory and provide top-tier service, Klein knows IRI must work smarter, faster, bolder and more responsively.

To do that, he's promoting an entrepreneurial culture in which all employees are encouraged to maximize their potential and are empowered to be innovators.

To make sure he had the right people in place to achieve those goals, his tenure began with the difficult task of letting people go.

“I got rid of the demotivators,” Klein says. “There weren't many, but eliminating them made those who stayed much happier. We had to bring in a few people, but one of the things I'm most proud of is that the company's turnaround has largely been effected by those already here.”

The next step was disseminating the message that when companies and individuals make mistakes, as they inevitably do, the best way to handle the problem is to own up to it, take care of it quickly, learn from it, and then, move on.

“When you try new things, it doesn't always work out,” says Klein. “What's important is to get better every day.”

How managers react to mistakes is also crucial. Klein has zero tolerance for those who show a lack of respect toward co-workers.

“When I joined the company, I announced that there would be no screaming or yelling,” he says. “It's OK to express disagreement or disappointment, but no one is allowed to treat employees like misbehaving 4-year-olds.”

In addition to respect, there's a big emphasis on training and assessment at IRI. Classroom and online seminars support professional development, and monitored programs track performance so staff members can see where they are relative to specific goals at all times. Everyone gets formalized written and verbal feedback twice a year, because once people master their own domain, says Klein, they're better able to mesh their knowledge and skills with other areas and departments.

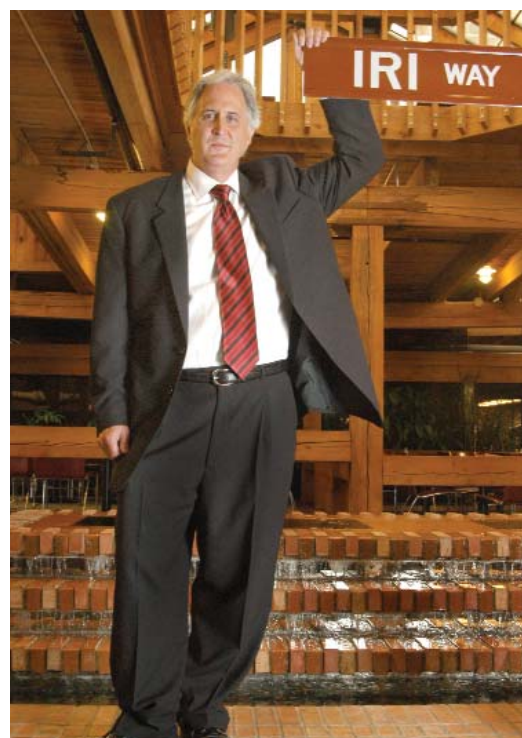
Good news is shared news, and victories get a companywide shout-out. And in keeping with his have-fun philosophy, Klein likes to do it with humor.

“When we won the Campbell's account, everyone got a note from me

attached to a can of chicken noodle soup,” he says. “For Welch's, it was a jar of jelly on the desks. We just landed 3M, so I distributed pads of Post-its imprinted with the phrase, ‘Make a note of it.’”

He's also a big believer in giving credit and honoring contributions. A number of recognition programs are in place, and Klein personally signs every award and milestone certificate himself.

Most new hires participate in an intensive three-week orientation and training



The Klein file

Born: 1957, New York

Education: Bachelor of arts degree, accounting, Syracuse University

First job: Brand management, Procter & Gamble

What is the greatest business challenge you've faced?

When I went to work for my father-in-law's building products distribution company, it was immediately assumed that I was the idiot son-in-law. I may have had a four-window office at PepsiCo, but I had to establish my credibility with these people.

I did it by sitting in every chair, learning everyone's jobs. I unloaded trucks, drove a forklift, worked in the warehouse, spent time in accounting, payroll and sales. The first six months were tough.

I spent a year showing my willingness to roll up my sleeves and get my hands dirty. Then I became COO. During my time there, I helped take it from a \$12 million company to a \$1 billion one.

What's the most important business lesson you've learned?

It's not about me. The people I work with are the ones who should be honored and recognized for all they do. I'm lucky. As CEO of IRI, I get to go out and deliver the company's message, tell our story and talk about our accomplishments. But it's the employees that create that story every day.

Whom do you admire most in business and why?

The chairman of our company, Romesh Wadhvani. He hired me and he's the reason I decided to come to IRI because I realized that I could learn a great deal from him.

He's a very successful businessman and a supportive, caring and strategic-thinking leader. I admire his creativity, his passion and his drive. I work hard and put in long hours, but this guy must never sleep.



class, and Klein speaks to every group. One of his presentations concentrates on the art and science of getting and keeping customers. He calls it, "Seven keys to success, or how do I get clients to like me better than anyone else?"

He talks about expertise, integrity and reliability. He emphasizes going the distance and beyond. He mentions the need for enthusiasm and pride. It all adds up to forming long-term partnerships, in large part by being a great listener.

For Scott Klein, it's a fundamental part of doing business. But that's just what you'd expect from a man who's built a career by building relationships.

HOW TO REACH: IRI Inc., www.infores.com



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