

The TELOS Group

Strategy Solutions for Enterprising Families

It is with the strongest conviction that I recommend Ted Guarriello as a candidate for . I have known Ted for over four years, and I have worked closely with him on a number of business planning and strategy initiatives. In my 16 year career as a corporate lender, a consultant to family enterprises, and as a manager of academic programs at the Wharton School and Babson College, he stands out as one of the most talented business leaders with whom I have worked. He possesses a rare combination of strategic vision, execution capabilities, and, most importantly, humble leadership.

I began working with Ted in April 2000 when I was hired as a consultant to his family's business. Our engagement lasted until November, 2001 and focused on ownership and management strategic planning, leadership transition, and management empowerment. It was a fairly typical engagement for the consulting company I own, the Telos Group. Our clients include medium and large family firms throughout North and South American and Europe. In addition to my role as the Managing Director of the Telos Group, I also serve as the Assistant Director of Babson College's Institute for Family Enterprising. In this capacity, I am responsible for a mix of research, content development, and teaching.

Ted's strategic and visionary capabilities became apparent to me immediately upon beginning our work together. At the time, all indicators of the business's health were positive. The previous year was the firm's most profitable and the company had just completed the acquisition of its largest competitor. The entire top management team felt the company was on the right track. However, Ted's perspective was different. From marketing, to finance, to operations and HR, Ted felt the company was in a state of decline. Most of all, Ted felt this decline was due to a subtle change in culture – from an operationally driven company to a finance driven company. Few in the company noticed the change, but Ted felt it was eating at the core of his family's firm. By the end of 2000, the company's performance was declining and the concerns Ted raised early in the year were proving accurate. To address this, Ted led the development of an overall ownership and management strategic plan which came to be known as "The Strategy for Reaffirmation and Reapplication of the Guarriello Family Values for Continued Growth and Sustainable Success." The plan is one of the most comprehensive and empowering that I have seen an owner-manager team create. It addressed all aspects of what is required for entrepreneurial growth within a family enterprise. Without Ted's vision and leadership capabilities, it would not have been created. As the plan was presented and debated within the entire management team, one non-family manager stated: "I finally understand where we are trying to go, and how we can come together to get there."

Ted's execution capabilities are legendary within the company. In the late 1980's, Ted identified the need for a more efficient plastic extrusion machine to manufacture the company's flower pots. Since a machine with the specifications he sought did not exist,

he and his brother, Joe, simply built one from scratch. The machine (the size of small house) and the accompanying software, was envisioned, designed, and constructed by a team led by Ted. Soon after the machine went on line, a group of foreign visitors were touring the plant. As Ted described the machine and its performance, the visitors were amazed and asked were they could purchase one. Ted sheepishly admitted that they had built the machined from scratch. The visitor immediately asked him to build one for them.

Not only is Ted a visionary with execution capabilities, he is also a highly respected leader within his organization. This observation is based not only on my personal experience with Ted, but also on the results of a 360 degree evaluation of his management and leadership capabilities. In the 360 process, a manager rates himself, and receives anonymous feedback from his boss, peers, and direct reports on 26 areas related to effective leadership and management. The results of the Ted's evaluation were quite impressive. In nearly every category of feedback, Ted's bosses, peers, and direct reports indicated that he was in the highest 90th percentile in his leadership and management capabilities relative to a pool of 5,000 other managers from around the country. Such an overwhelmingly positive feedback report is extremely rare. I have conducted over 100 such evaluations, and few, if any have matched Ted's feedback. The only individual that ranked Ted low relative to the pool of 5,000 other managers was himself. Thus, while his bosses (the President and the CEO), his peers, and his direct reports felt he was an excellent leader, Ted felt he had significant room for improvement. This humility is not false; rather it represents a mindset of continuous improvement. Ted knows that he can improve on everything he does, and so when he is given feedback from a report or peer that a policy or procedure needs change, he is open to the idea. This humility makes him a powerful leader, and a great teammate.

Since the ending of our consulting engagement with Ted's family business, we have been in regular contact. Last spring we worked together to create a teaching case on his family's business, and he agreed – along with his brother – to present the case to one of our MBA classes at Babson College. Not only is Ted a gifted business leader, he also a potential professor. His clear and heartfelt presentation of the issues that impacted his company over the last several years reflected both a calm self-confidence and significant business experience. We received overwhelmingly positive feedback from the students about the class and Ted's contribution. One student even stated that the class had been the best he had ever taken at Babson.

In summary, Ted is one of the most gifted managers and leaders I have met. One of my personal goals is to eventually raise sufficient funds to purchase a family business. If / when I am able to achieve this goal, Ted will be the first person I call to lead the management team.

Michael N. McGrann
October 21, 2004
610-853-6440