

VISTAGE

Member *Stories*

*Dave Lagerstrom, CEO
Turck Industrial Automation
Plymouth, Minn.*

Vistage Chair: Wayne Serie

Company background

[Turck's Industrial Automation](#) operation in Plymouth, Minn. is also the home of Turck's U.S. headquarters with 1,200 employees. The company is an industry leader providing superior quality sensing, connectivity and network products to help manufacturers improve their automated processes.

President and CEO Dave Lagerstrom of Turck Industrial Automation can't think of one Vistage meeting where he hasn't brought something back to the company to try or implement. His team of 12 direct reports, in fact, has playfully created an acronym to describe his day-long Vistage meetings, and the day after, where Dave enthusiastically brings back new ideas and concepts that could be tried at Turck. The acronym: DAV for day after Vistage.

Dave's been a Vistage member since 2008 when he joined Chair Wayne Serie's CEO group of 14 members. Dave likes the format of monthly meetings where members frequently hear a presentation from one of Vistage's cadre of world-class speakers followed with issue processing by members. He says over time he's learned a lot from the different perspectives offered by his group members.

Dave also credits Vistage with helping him work with Turck's board of directors, all of whom are based in Germany. Dave sees the board members, "Mostly guys whose last name is Turck," when he travels to Germany, but he just can't "walk into Uli Turck's office to



ask him questions or get his ideas." Two German brothers—Hans and Werner Turck—started the company in the 1960s. "Hans was the sales guy, and Werner was the tech guy," said Dave. They made their first products on the kitchen table, and started the business there. Today there are 27 subsidiaries around the globe. "In the mid-70s, the brothers decided to come over to the states," Dave explained. Hans and Werner flew to New York and rented a car. They didn't speak much English, but had friends living in Plymouth, Minn. Plymouth would become the foothold for the company's North American operations.

Dave joined Turck's Plymouth operations—Turck Industrial Automation—in 2000 to head up one of its divisions. The company has three divisions nested within the Industrial Automation group: sensors, connectivity and network products. The Turck Industrial Automation division also has close ties to locally-based Banner Engineering. Banner was the home of Turck's first employees when it settled in Minnesota in the 70s'.

"Plymouth is headquarters for North America, with a sales and marketing office," shared Dave. He also oversees a production facility here and another in Saltillo, Mexico. The past few years growth has been steady from the workforce of 1,200 employees. The

company expanded its production facility by 50,000 square feet two years ago to meet growing demand. With the exception of 2009, the company had basked in the limelight of steady year-over-year growth.

When Dave joined Turck in 2000 his division was averaging \$18–\$20 million in sales. “We’ll be around \$230 million in revenue this year,” said Dave.

The value of Vistage

When asked about the value Vistage has provided him Dave talks about “phenomenal speakers,” the support from his other Vistage group members and his chair Wayne Serie. “We had a guy [Joe Dillon] come in and talk about health, focusing on the individual as opposed to the business,” shared Dave. Mr. Dillon’s message could be conflated down to “Stay fit to win.” Mr. Dillon shared symptoms of several top stressors and how they impede executive performance and add to a company’s health costs. Dave realized he had to make immediate lifestyle changes because he was already experiencing several of those symptoms.

Dave also recalled Peter Schutz, a former Porsche AG CEO, who mesmerized his Vistage group with applicable stories around manufacturing and operations. Dave said he left that presentation with insights he could immediately apply to his operations at Turck,

Part of the once-per-month, all-day meeting is spent processing issues and business challenges that members take turns bringing to the group. In this format, a member makes a short presentation, usually in a classic case study format, while other CEOs and execs in the group ask probing questions. Dave’s group chair—Wayne—is busy recording comments on a white board and moderating the discussion.

Dave finds these discussions completely applicable and insightful for his own business. “A lot of times the topics are tangentially related to something that I’m working on and the discussion gets you thinking about issues from an all new perspective. It’s very valuable.”

“My sounding board”

In his monthly one-on-ones with Wayne, Dave identifies any issues they think would be good to take to the group. “Wayne is my sounding board,” shared Dave. Sometimes, in just discussing business issues with Wayne, “The path forward presents itself,” he observed.

Dave also credits Wayne and his Vistage group for helping Turck refine its own strategic planning process. “There’s no question that the strategic planning process that came out of working with the group has had a dramatic impact on the business. I think being able to come out of the recession as quickly as we did was related to the planning process,” he explained. He said his team has been able to focus on different areas of the business to get to where profitability and cash flow needs to be.

What are today’s biggest challenges for Turck? Managing inventory. But, he said, his Vistage membership is giving him the tools he needs to help him lead a large, complex company. Everything’s under control. **V**