

VISTAGE

Member *Stories*

Michael Lacey, President & CEO
Digineer
Plymouth, Minn.

At a glance

Role: President & CEO

Industry: IT consulting

Employees: 76–150

Vistage chair: Brian Davis

Company background

Located in Plymouth, Minn., [Digineer](#) is an information technology company that specializes in business and technology consulting. CEO Michael Lacey founded the firm in 1998 at the age of 29. Digineer provides management consulting, information management, and software development services to companies in a variety of industries, including financial services, health care, and manufacturing. The company employs 140 professionals—dispersed at client sites and its corporate headquarters.

Digineer competes with the likes of IBM and Accenture but because of its smaller size and unique business methodologies can offer services at 60 percent less than its much larger competitors.

Quick facts

How has Vistage helped you become a better leader?

As an entrepreneur you cannot short change the value of constant learning and networking. The



odds are so stacked against you. You really have to draw from the best and Vistage has given me many tools to help me run the business. Out of all the executive development organizations, Vistage does the best job of exposing you to big picture thinking through its world-class speakers. Additionally, I've learned a lot from other CEOs in companies outside my industry—health care and manufacturing—that have sharpened my leadership skills.

How has Vistage helped you make better decisions?

My Vistage chair Brian Davis sends out a template (one of the many tools) prior to our one-on-one meeting each month. The template asks me to rate how my key executives are performing and tracks any issues Brian has been challenging me on. This template and process alone has helped me improve team decision-making. Dialogue in our meetings has helped us identify problems and discuss fixes much more quickly than in the past. The template also helps me focus what issues I need to discuss with my team, which, more than once, has helped raise awareness of situations I wasn't even aware of.

How has Vistage helped you achieve better results?

Brian, my chair, is always connecting me with other people and resources. He also does a good job of asking exploratory open-ended questions that lead me to solutions that address the company's business challenges. One such connection led us to completely change our hiring process. I now interview the top three candidates for key positions before any of my staff—a change that has directly led to stronger employees in the right seats.

Digineer's rapid rise

Michael Lacey, the CEO of Digineer, is also its founder—launching the company in 1998 at the young age of 29. Since the company's inception 15 years ago Digineer has been on a rapid trajectory—mostly up and to the right. The company will double in size this year, matching last year's growth rate. The year before that Digineer just grew 35 percent.

Digineer is in the business of developing custom software and managing what Michael describes as large enterprise transformational projects. Those projects put his company in the cross hairs of IT consulting giants IBM and Accenture. Digineer; however, comes to the negotiating table with a distinct competitive advantage. Its agility, proprietary methodologies and breadth of capabilities allow it deliver the same services for up to 60 percent less than the big guys.

Digineer has clients in several industries but it specializes in a few niche markets: health care, marketing services and specialty insurance. Besides a full corporate headquarters staff and an on-site development center, Digineer has dozens of

consultants collocated at client sites.

Digineer's rapid growth has presented Michael with never-ending challenges. "Every entrepreneurial business runs into the point where they are too big to be small and too small to be big," he said. Sometimes, companies outgrow the team who got them there.

How Vistage differs from other CEO peer groups

Michael promotes Digineer's learning culture and from the beginning he has turned to an expanding corps of executive coaching organizations to help him navigate the sometimes-choppy waters of entrepreneurship. His leadership counsel has included Inner Circle, EO (Entrepreneurs Organization), YPO (Young President's Organization), and Vistage.

Michael first became a Vistage member shortly after he launched Digineer, but soon dropped out because he felt overwhelmed with running the business day to day. He couldn't take advantage of the speakers and missed too many CEO meetings. A little over a year ago; however, Michael connected with Vistage chair [Brian Davis](#) and re-joined. He hasn't looked back.

With Digineer's hot growth streak the past few years and learning culture, Michael felt a need to keep learning and network with CEOs from other companies with similar challenges. Michael likes both components of the Vistage experience: The group meetings with fellow CEOs where they are part of interactive presentations from world-class speakers and the one-on-one monthly meetings with Brian.

"Brian connects me to other people and resources, something that doesn't happen in my other groups," observed Michael. "He does a good job

of asking exploratory open-ended questions, which helps me figure things out myself.”

Michael finds the quality of Vistage presentations to be “pretty high,” where he has found good “takeaways” from every speaker presentation. Michael brought his HR leader to a presentation last year by Tom Foster, an expert on organizational development. Her response to Michael about the speaker: “We have to change the way we’ve been handling these issues.”

Ideas leading to big changes

Also because of the speaker, Michael changed how the company hires key executives. Instead of beginning the process with his direct reports and Michael interviewing the finalists, he is the first to interview the top candidates. The intent is for the CEO, or senior manager will choose the strongest of the top candidates. This process ensures Digi-neer’s continuous improvement in talent and overcomes managers’ natural inclination away from hiring candidates with greater skills than their own.

“The first time we hired under this new system my number one pick was actually my direct report’s third pick,” explained Michael. After thinking through the candidates; however, the hiring manager changed his pick and he was glad he did. The CEO’s top pick turned out to be a hidden gem—adding value to the company from day one.

Other memorable presentations by outside speakers have led to evolutionary improvements to how Digi-neer evaluates and compensates its employees. “We had a disconnect between what measures employees were being evaluated on and the employees’ job responsibilities,” explained Michael. This had been causing a lot of “noise” within the staff, but once the problem was recognized and

fixed, Michael’s managers reported “the best year ever,” for evaluating and compensating performance.

One of the sincerest assessments of performance is a personal recommendation—he placed his HR Director in one of Brian’s Key Executive Groups. And lately, Michael has been recommending Vistage to plenty of other business leaders. “A friend just attended her first Vistage meeting, and she loved it,” he noted. But he also cautions, “I think you can do overdo these (Groups), but if managed properly, the rewards far outweigh the investment.”

“Vistage has given me many tools to help run the business while meetings with Brian have helped me sharpen my thinking. CEOs rarely have anyone within their organizations to tap for advice. Brian is also there as a sounding board—when I need additional counsel on how to deal with something, I’ll ask ‘what are your thoughts?’”

“Brian is one of the best.” **V**