## **VISTAGE**

## **Member**Stories

Mike Hodgens, President QualiTech Minneapolis

## At a glance

Role: President

Industry: Manufacturer of plant/animal

nutrition and food ingredients

Employees: 100-150 Vistage chair: Brian Davis

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Mike Hodgens went to work for <u>QualiTech</u> as a plant manager in 1995, not that long after earning his degree in chemical engineering from the University of Minnesota. Twenty years and another degree later, (This one, an MBA from the University of St. Thomas) Mike is QualiTech's president, reporting to CEO Cory Ploen.

During his climb up the proverbial corporate ladder, Mike worked in several of QualiTech's operations, honing his leadership skills and learning the ropes at the family business. Founder Del Ploen launched the manufacturing firm in 1967 and has since turned the CEO role over to son Cory. Three other sons all have leadership roles within the company, which has thrived despite the country's economic downturns.



Thanks in part to a first-rate management team, the company has grown from some 70 employees to well over 100 today. "We've had strong double-digit earnings and revenue growth every year," explains Mike.

The company added new employees to critical functions such as sales, marketing, product development and research, to manage the growth. "We're incredibly bullish right now," he says.

Company growth has also come from QualiTech's diversification strategy. The firm has four broad lines-of-business: animal nutrition, plant nutrition, food ingredients and environmental. "We're a small company, but we're very diversified. We're involved in the food industry, in the livestock industry, and in agriculture. These are gigantic sectors, and as we're able to broaden from one narrow niche to an adjacent niche, we more than double the size of our market," Mike says.

Although QualiTech competes against a few large companies—think Cargill—the business is still able to compete through what Mike calls "incremental innovation." QualiTech is partnering with large food companies that are trying to deliver a

constant stream of new products at a much faster rate than the industry average. Food behemoths like Kraft Heinz and Mondelēz International work with QualiTech to develop new product ideas and flavor concepts in half the time it took them in the past.

"We're really at a golden age regarding companies wanting to try all kinds of innovative product flavor combinations. That's central to who we are," Mike says. "Most of the major U.S.-based and some international-based bakery and snack food companies are our clients."

## Vistage — A Strategy for Life-Long Learning

Mike considers himself to be a life-long learner; just one reason he wanted to earn his MBA. After completing the rigorous graduate program, he looked for a way to keep learning in an environment akin to the cohort structure of his executive MBA. A business peer group was the answer.

Vistage was his top choice for a business peer group organization because several people from his company could belong while participating in separate groups. He joined in 2011. The Vistage structure allowed members to experience the same content, just with different peer group members. Mike's boss belongs to a separate Vistage group. "A real attraction for me was the idea that it [Vistage] was an organization of sufficient scale to allow multiple people from the same company to receiving the same content, and then come back as a group and look at how we could apply it. I liked that a lot," Mike shares.

The chair of Mike's Vistage group is <u>Brian Davis</u>. "Brian was someone who came out of an organization that I had a lot of respect for. This gave me confidence that the leadership from the chair

would be strong," Mike shares.

When asked how Vistage has impacted his leadership skills, Mike says "It's elevated my thinking beyond the tactical challenges we're encountering. It challenged me to consider the types of roles and individuals we need to have in our organization to be successful."

"What I saw working with folks in Vistage was a wide range of approaches organizations and leaders can use to be successful. There isn't a cookie cutter model," he continues. Mike says anytime he processed an issue with the group he left with a lot more confidence on how to solve the challenges.

One of the immediate direct benefits of Mike joining Vistage was the company's decision to adopt the Traction® Entrepreneurial Operating System® as a framework for managing and leading the company. "We started traction shortly after I started Vistage, and it's been transformative," he says. The framework has helped the leadership focus to the point where Mike says, "We have a clear strategy," adding, "I'm very confident we would have never discovered Traction if we had not been involved in Vistage."

While Traction has helped fortify the business through execution discipline, the company has taken other steps over time to build a business that will last beyond the current generation of employees and family members. Part of that process was creating four cornerstones that represent Quali-Tech's four core values: quality, customer experience, trust, and commitment. The firm hires to these core values and measures employee performance against these values.

Mike is currently a member of what is called a Vistage key group but will transition sometime in the next few months to a "Chief Executive" group. The so-called key groups are designed for department team leaders such as VPs of manufacturing, operations and so on, whereas CEOs, presidents, owners, and founders join Chief Executive groups. As he prepares to transition to a new group, Mike recounts why his experiences in Brian Davis's key groups have been so valuable:

"The beauty of an effective chair, especially in the key group area, is finding and attracting the right talent. Brian is always searching for that right combination of people, the balance of industries and functions, at different levels, and where organizations are growth wise. For example, as my role changed Brian transitioned me and several of the senior leaders and largecompany executives to a newly formed hybrid key group. The goal of this group is to help presidents and business owners learn how to scale from functional heads of larger companies to their new roles. We learn how to be more strategic and nimble, and to think like an owner. Brian's very creative with the types of individuals that he brings in and how he structures his groups to provide continuous learning for all!"**V**