

VISTAGE

Member *Stories*

Richard Bahr, President & CEO
MGS Machine
Maple Grove, Minn.

At a glance

Role: President & CEO
Industry: Manufacturing
Employees: 75–150
Vistage chair: Don Kielley

Company background

MGS Machine is a secondary packaging equipment manufacturer with operations in Maple Grove, Minn. The 100-employee company makes and markets a complete line of product handling equipment including vacuum, friction and bulk feeding devices for handling a wide array of items such as trays, literature, dosing spoons, syringes, outserts and other items. Engineer Mel Bahr founded the innovation-driven company in 1979.

Richard Bahr has been in the driver's seat at MGS Machine in Maple Grove, Minn. since 1996. Rich took the president and CEO reigns from his father Mel, the company's founder. Like a lot of second and third generation owners, Rich grew into the CEO position by working in several positions at the firm following college. "I don't know how you learn to be a CEO and who is responsible for your development," he said.

Rich spent his first 15 years trying to learn everything he could through jobs in the company's functional groups—operations,



engineering and finance. "I've had mentors and coaches, and belonged to two other executive groups before Vistage, just to help prepare myself for this role." Since joining Vistage he's even convinced eight colleagues to join, and he's working on two more, at last count.

He's been a Vistage member for more than 12 years and has worked with a few different chairs. Don Kielley has been Rich's chair for about seven years now. Rich likes what he calls the "multi-dimensional aspects" of Vistage, referring to his monthly one-on-ones meetings with Don, meetings with his fellow CEOs, hearing the speakers. "You listen to someone for a day, go back to your office and be forever changed."

"Vistage helps fill some gaps that are normally provided by a board," Rich observed. Rich also taps into the strength of the Vistage online community. "There was a time I needed to set up distribution in Russia and the Ukraine," he said. Rich simply posted questions to the 17,000-member Vistage online community and insights soon arrived from members around the world.

A niche industry

About 25 percent of MGS's business is export, but most member companies in Rich's group do not have international operations. The choice to reach out to Vistage members globally is a big plus for Rich, and others wishing to seek help from thousands of experts.

MGS Machine is in the secondary packaging business, a niche industry that designs and manufacturers equipment that integrates with huge manufacturing lines at drug and cosmetic companies. "We didn't put the nail polish in the bottle, but we put the bottle into the tray, the tray in the box and the boxes into a case," explained Rich. The company's customers are large businesses—nearly all Fortune 1000 firms.

Most of MGS's competitors are large European manufacturing companies. "We compete with many Germans and Italians that build really high end stuff," said Rich. His company's reach is global with 14,000 installations in 27 countries.

Rich held up a package of birth control pills, "The manufacturer put the pills in the blister card, but we took the blister card and a handful of accessories and put them into boxes and cartons at the rate of 200 per minute."

CEOs to the rescue

Has Vistage helped you with results? "The company is certainly bigger than when I started with Vistage. We have twice the square footage and 50 percent more sales, but that's over 12 years." He said part of that growth could be attributed to Vistage, especially during the recession years of 2007-2010. "Those of us who survived would probably give part of the kudos to Vistage," said Rich.

Referring to the benefits of his CEO group—a mix of companies in services, consulting, banking, manufacturing and IT—Rich noted, "It's not that often you can listen to a dozen CEOs or have your own bully pulpit. You can talk about what you care about, what you're concerned about, and what you need help with."

That's a good thing to many members because most Vistage companies don't have formal boards. "I have a board of extended family members, but it's not a strategic board," said Rich.

You can see the CEO group in action when it comes to the aid of a member's business toiling through a rough patch. Group members form tiger teams to analyze the company and its issues. Most companies recover quickly after the intervention.

"I always come out of these a lot smarter," referring to the times he's helped other CEOs. Rich has been in the barrel himself, recalling in 2005 when group members recommended he "saw" his company in half and terminate a combative senior leader. "Sometimes it's really tough to see the problem, even when you're standing right next to it."

Indeed, Vistage has helped Rich during the times when he had to make some tough calls. Like when to pull the plug on the company's ineffective ERP system or make difficult personnel moves. "I knew in my gut what I had to do, but my decisions were validated by others in my group."

When Rich isn't helping his fellow Vistage CEOs, you can find him at the area's homeless shelters still giving, but in other ways. He started his giving of personal time to these ministries last winter after observing the many panhandlers

standing on busy street corners. “This time, instead of avoiding eye contact, like most of us do, what if I approached him and tried to learn his name,” he said. His next thought: “What if I do this for every panhandler I meet?”

Rich now carries messages with \$5 McDonald’s gift cards everywhere he goes. The gift card buys a meal and he gets to meet the person and learn their name. “Homelessness is an awful lot more than just an economic problem,” Rich explained.

“The little part that I do is connect with people. I just try to be somebody's friend.” **V**