

## Sounding boards

Peer groups have gained popularity as more entrepreneurs seek the counsel of executives in the same situations.

By Lisa Bertagnoli

**I**'m firing on all cylinders — I've got that eye twitch, and I'm not sleeping."

"It's a brief high and depression, both at the same time."

Those quotes weren't uttered during a high-priced therapy session. Rather, they were part of the conversation at Inner Circle, a group of well-heeled entrepreneurs that meets monthly to talk about business issues.

"The people at this table sit down with 300 years of business experience," says Thomas L. Bookey, president of the Chicago outpost of Inner Circle International Ltd., a national organization based in Minneapolis. "Participants all walk away with something."

Inner Circle is just one of a half-dozen or so Chicago-area business "peer groups," which allow entrepreneurs and established business people to share business advice and experience with non-competing executives.

Unlike traditional business groups such as chambers of commerce and trade associations, peer groups offer networking and business advice on a more personal level, and more frequently—as often as twice a month.

"It's like seeing a shrink on a corporate level," says Burton Friedman, an Inner Circle member and executive vice president and partner at Capital Associates Development Corp. in Chicago.

In addition, peer groups are organized so members don't interact with their competi-

tors, or even key vendors or customers, at meetings. The catch: Peer groups' fees may be higher than dues to an industry group or chamber of commerce.

Peer groups are not a new idea. Young Presidents Organization, for instance, turns 50 next year, and TEC Worldwide Inc., formerly The Executive Committee, was founded in 1957. Such groups are, however, growing in popularity, for a simple reason.

"There are more small businesses," says Robert J. Calvin, adjunct professor of entrepreneurship and marketing at the University of Chicago Graduate School of Business. Furthermore, business today is more complicated, Mr. Calvin says. "It's a lonely ship, and sharing ideas has become very important."

Says Michael A. Rosenbaum, president of Chicago public relations company Financial Relations Board Inc. and a member of Young

Presidents Organization: "There are few people to talk to about critical issues. You can't talk to industry peers because they compete, and you can't talk to people in your company because they're employees. That's a challenge in being president."

### Complements tradition

The ability of peer groups to target day-to-day business issues makes such groups a complement

to more traditional business organizations, says Bruce N. Corson, a chairman, or session moderator, in the Chicago chapter of TEC Worldwide. Mr. Corson also is a member of the Chicagoland Chamber of Commerce. The chamber, Mr. Corson says, is good for big-picture issues such as networking,

while TEC is more concerned with issues inside the company.

Mollie M. Cole, managing director of small and emerging business for the Chicagoland Chamber of Commerce, agrees: "If peer groups deal with the inner world of the businessperson, the chamber deals with the outer person."

This fall, TEC will offer a program especially for chamber members, Mr. Corson says. The three month program will cost chamber members less than half of what a regular TEC membership runs; full details will be announced later.

Peer groups and traditional groups "serve completely different purposes," says Timothy G. Padgett, president of Pepper Group Inc., a graphic communications company based in Palatine. Mr. Padgett is a member of the Chicago-based peer group President's Resource Organization, Rotary International and the Arlington Heights Chamber of Commerce.

Mr. Padgett says the peer group offered him the mentors and business advice he needed as an entrepreneur, and he calls the chamber a quick way to meet a variety of business people. However, his business serves large corporate clients, and the chamber doesn't feature enough of them.

But having group members that share similar traits might be one of the advantages peer groups offer over traditional business groups. Although they represent different industries, peer groups in the Chicago area are a homogeneous bunch, each attracting a certain type of businessperson.

Inner Circle, for instance, is composed mostly of seasoned entrepreneurs who have owned at least one business. Ezix.com, formerly the Entrepreneurial Business Assn., attracts small, aggressive business owners who are interested in e-commerce. Ezix.com holds roundtables and soon will launch a national Internet discussion group, says CEO Michael G. See.

And Young Entrepreneurs' Organization (YEO), based in Alexandria, Va., appeals to thirtysomething entrepreneurs whose companies rack up \$1 million or more in annual sales and who are interested in the personal side of networking, says Daniel M. Caulfield,

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president of the Chicago chapter and president of Chicago-based Hire Quality Inc.

But in terms of race and gender, area peer groups aren't all that different. Most are made up of white men, the exception being Ezix.com, which has more women than men and whose membership is half white and half Latino and African American, according to Mr. See. The lack of diversity is a concern for YEO, whose 45 members are all white men. "We are desperately trying to rectify the diversity of the group," says Mr. Caulfield.

John Zeman, Chicago facilitator for Denver-based peer group Alternative Board, says he has no such concerns. "There's not an emphasis to manipulate the numbers," he says, adding that the group has one woman and one Chinese member.

In order to join a peer group, members must meet criteria involving their title, annual company revenues and numbers of employees. Annual fees range from \$300 to \$9,900 annually.

Having the credentials and the cash, however, is no guarantee of admission to the group of one's choice. Most groups interview would-be members and ask them to sit in on a meeting.

"If they can't contribute, I don't want them," says Mr. Bookey of Inner Circle.

Business people who do make their way into a peer group generally meet once a month. Each group requires that members keep conversations confidential, and none allows business solicitation among members. Facilitators

lead discussions to make sure each member gets a turn and that the conversation flows smoothly.

Not all members meet at once, however. Peer groups divide their membership into smaller groups to ensure that competitors aren't in the same room, that personalities don't clash and that there's a good mix of service companies, manufacturers and other businesses.

That last point is important, says Terrence G. Ennes, a member of President's Resource Organization and president of Ennes & Associates Inc., a property and real estate tax consulting company in Arlington Heights. The varied membership, he says, helps him gain perspective on his clients, who also represent various types of businesses.

### Wealth of information

Monthly discussion groups yield a wealth of business information, members say. For example, Mr. Ennes took his group's advice in solving a major dispute with a big client about a year and a half ago. The disagreement was handled amicably and, most important, the client still is a client, Mr. Ennes says.

Laurie Kahn, an Inner Circle member, used her group's counsel when she hired a financial officer. Because three other members of the group also were in the process of hiring such a person, they compared notes on salaries and benefits before making their offers. "It saved me some money," says Ms. Kahn, president of LGK Media Staffing Network Inc. in Chicago.

Thomas H. Weber, a member of the Alternative Board and president of Chicago-based Cragin Metals LLC, says he used his group's "commonsense business advice" when he bought the company three years ago. Alternative Board members, he says, were instrumental in helping him shape the purchase of the company from the founding family.

Business matters are important, but peer group members don't discount the social aspects, either. Young Entrepreneurs Organization holds three social gatherings a year for members and their significant others. Inner Circle members get together for dinner every two weeks.

That social aspect, along with shared business concerns, ties group members together, Mr. Caulfield says. "This is really a social organization of people who love business," he says. "These are people we share our lives with."

For more information, contact:

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## Local peer groups come in many flavors

Among the business peer groups in the Chicago area:

**EZIX.COM** (formerly Entrepreneurial Business Assn.)

Niche: Any level of businessperson with a special interest in ecommerce

Requirements: Business owner or future entrepreneur

Local members: About 120

Fee: \$300 annually

Contact: Michael See, (708) 403-4404

### INNER CIRCLE

Requirements: Annual revenues of at least \$2 million; decision-making status in company; business experience

Niche: Entrepreneurs who have owned more than one business

Local members: 40

Fee: \$5,000 annually

Contact: Thomas L. Bookey, (312) 943-4888

### PRESIDENTS RESOURCE ORGANIZATION

Requirements: CEOs, chief operating officers, owners, presidents and partners; annual revenues of at least \$500,000

Niche: Geared toward small business owners

Local members: 60

Fee: \$2,000 to \$3,000 annually, depending on company size

Contact: Ramond Silverstein, (312) 337-3658

### ALTERNATIVE BOARD

Requirements: Must run or be key decision-maker in the business

Niche: Experienced heads of companies, or people interested in learning more about business

Local members: 10

Fee: \$350 to \$500 a month

Contact: John Zeman, (630) 654-8008

### TEC WORLDWIDE

 (formerly The

Executive Committee)

Requirements: CEO, president or business owner; annual revenues of at least \$750,000; minimum of five employees

Niche: Two target groups: TEC for Emerging Entrepreneurs, for companies with annual revenues between \$750,000 and \$3 million; and TEC, for companies with annual revenues above \$3 million

Local members: About 300

Fee: For Emerging Entrepreneurs group, one-time fee of \$650, then \$650 a month; otherwise, one-time fee of \$1,200, then \$825 a month

Contact: Richard Gilbert, (847) 501-3354

### YOUNG ENTREPRENEURS' ORGANIZATION

Requirements: Annual revenues of at least \$1 million; cofounder, owner or controlling shareholder of company who is active in the business

Niche: Thirtysomething business owners with an interest in socializing with fellow members

Local members: 45

Fee: \$1,600 annually, plus occasional assessments

Contact: David Duerr, (630) 368-9820

### YOUNG PRESIDENTS ORGANIZATION

Requirements: Age 44 or younger with title of president, chairman, CEO, managing director, publisher or head partner; 50 or more full-time employees; annual revenues of at least \$5 million for agency businesses, \$7 million for manufacturing

Niche: Decision-makers at established businesses

Local members: 130

Fee: \$2,000 annually

Contact: Anthony Sobol, (847) 803-6600