

IN PERSON

Getting to know the executives who make business tick

Loren G. Carlson,
founder of CEO
Roundtable

EXECUTIVE PROFILE

Lemonade from lemons

HOW 'BLACK FRIDAY' HELPED
LOREN CARLSON TAKE HIS SEAT
AT THE CEO ROUNDTABLE

W. MARC BERNSAU

BY BRIAN HOEFLING
Special to the Journal

Loren Carlson says he revels in following the path less taken, and as such he's developed something of a habit of being involved in major changes wherever he goes. Founder of the influential and at times controversial CEO Roundtable, Carlson says his contrarian ways originated during his early days as a self-described "haystick" from rural western New York who turned down a spot at Yale University to spend his undergraduate years at lesser-known Denison University in Ohio.

His career stops from that point forward are notable and many. He was a top aid for the Speaker of the Illinois House of Representatives when the state experimented with electing all its legislators at-large. He was an assistant to the board at AT&T during the antitrust case and subsequent break up of the company. He helped invent the executive conference industry – and even claims responsibility for getting the Yellow Pages to recognize it as a distinct field.

Carlson moved to Massachusetts in 1987 to take a job with Digital Equipment Corp., then the second-largest computer company in the world. True to form, he arrived just in time for the stock market crash – forever known as "Black Friday" – and he had a front-row seat to DEC's rapid demise before it was ultimately acquired by Compaq Computer Co. Soon thereafter, he was out of a job.

That's when he started CEO Roundtable.

"That was the greatest thing that ever happened to me, because it gave me the opportunity to really do what I wanted to do," he says. "I knew I was an entrepreneur for a while."

► CLOSER LOOK

LOREN CARLSON

Title: Founder, CEO Roundtable

Age: 73

Education: Bachelor's degree in economics and political science, Denison University, 1962; master's degree in economics, Ohio State University, 1963

Residence: North Andover

float new ideas to a board," Carlson says. "You can't have open discussions in that kind of environment, so CEOs have to find a way to float ideas without committing to them, in very high-trust relationships with people who know enough to have an informed opinion on what's going on and what they should do. And that's exactly what CEO Roundtable does."

Carlson's clients are often CEOs of moderately sized private companies. Many run what he calls "lifestyle businesses," or profitable businesses that the owners feel no need to expand. For them, there's more satisfaction in continuing to operate the business than in competition and acquisition. It's a model he likes, and one he's adopted for himself in practice.

Each new member is assigned to one of four discussion groups based on personality fit – a determination Carlson makes himself. He says his decisions have yet to be second-guessed by his members. Over time, each group has developed its

CEO Roundtable is just what it sounds like: a company that brings CEOs together with their peers for unstructured discussion. At monthly meetings, members seek one another's advice on new ideas for their respective companies or to solve problems of internal politics. Carlson grew CEO Roundtable the old-fashioned way, by direct mail and personal phone calls. It took time and money to get the business off the ground, but the results are hard to argue with: he's been in business since 1996.

own style and vernacular.

Membership costs \$7,200 a year, although there are often discounts for CEOs of early-stage companies. That fee is all-inclusive; Carlson said he doesn't charge extra for consulting services or attendance at member retreats. And there's only one rule: Don't talk business.

Membership for the organization fluctuates between 60 and 70 people, 90 percent of whom have been members for more than three years, said Carlson, who declined to disclose revenue.

When prompted, Carlson can tick off a laundry list of high-profile members of the past who have participated in his seminars. He often invites an eclectic group of speakers and guests from the likes of the Boston Philharmonic's Benjamin Zander to Shakespeare and Co. founder Tina Packer to broaden the discussion beyond everyday business topics.

"Humanities are wasted on the young," he quips. "You get to a point in life where suddenly Shakespeare makes sense."

The personal relationships members develop have become an asset unto themselves. When one CEO was in the hospital with a brain tumor, concerned that he didn't have a succession plan in place for his company, six other members sat down with him to help draft one. (He's since beaten the cancer and is comfortably retired.)

Carlson often gets calls from other executives looking for something similar – a CFO roundtable, for instance, or one that brings in people in a variety of specific corporate roles. In any case, he's not planning to retire anytime soon.

"I love this business so much. Every roundtable I leave, I leave with a high – an adrenaline high – because I am so impressed with how well the members dealt with a complex problem and how much help they were to the member that had the problem."