

Value Creation Is Everything

*Why & How Highly Successful Leaders
Think and Act Differently*

By

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Dedication

We dedicate this book to all of the formal and informal mentors and coaches who helped us along our path to learn how to lead and build successful mid-market companies.

These mentors/coaches include our parents, bosses, colleagues, subordinates, suppliers, and bankers.

Almost everyone has something to teach you if you adopt a Value Creation Mindset, take the time to listen with all your senses, and think about what they communicate in words and actions.

Without our mentors/coaches we would never have achieved success or been able to write this book.

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Section 1

Introduction and Master Concepts

In this section, we'll introduce ourselves and the business system that we have used successfully for over 40 years to build Value Creation Companies that produced perpetually successful.

Chapter 1: Unlocking Value

Chapter 2: The Success

Paradox

Chapter 3: The Value Creation Company

Throughout this book, we will use the title CEO very broadly. It is our shorthand for whatever title you, as the top leader in your organization, call yourself. This can include owner, president, entrepreneur, COO, division president, general manager, etc. We use CEO because it is quick and easy to read.

Chapter 1

Unlocking Value

“If you don’t know where you’re going, get on any bus and it will take you there.”

~ Lewis Carroll

The stark reality of executive leadership reveals a troubling paradox. Between 50% and 70% of executives fail within their first 18 months (Abdou, 2020). Let that sink in for a moment. In an era where business education is a \$200 billion industry, where leadership books flood the market, and where executive coaching has become ubiquitous, more than half of our top business leaders stumble before they've had a chance to find their footing.

Even more startling? When we narrow our focus to CEOs - those select few who reach the pinnacle of corporate leadership - the numbers barely improve. Between 33% and 50% of new CEOs fail within their first 18 months (Collins, 2023). These aren't just statistics; they're career obituaries, representing thousands of derailed dreams, disrupted organizations, and disappointed stakeholders.

Who This Book Is For

In 2012, Kara Goldin sat in her San Francisco office staring at a report that showed Hint Inc.'s growth had flatlined at \$12 million in revenue. Major retailers were dropping her product, distribution costs were eating margins alive, and beverage industry giants were squeezing her company out of valuable shelf space. What separated that moment of crisis from the company's remarkable transformation four years later – when revenues had soared to \$50 million with industry-leading margins and a revolutionary direct-to-consumer model – wasn't just persistence or luck. It was her willingness to embrace a complete transformation in how she thought about leadership, strategy, and success (Goldin, 2020).

This book, like Kara Goldin's story, isn't for everyone. The difference between those who merely read business books and those who transform companies and industries often comes down to a simple but profound choice: the commitment to embrace change at a systemic level. We've discovered, through years of working with leaders across industries, that success becomes predictably elusive when someone tries to cherry-pick parts of a holistic system.

This book is also not for large inflexible companies that are slow to change, to respond to new market conditions, and to adopt new ideas and practices.

Think of it like learning to play jazz. You can't just master the scales while ignoring rhythm, or perfect your timing while neglecting improvisation. The magic happens when all the elements work in concert. The same holds true for transformational leadership. And while in the middle of a piece, one player introduces a new theme. The other jazz musicians effortlessly adjust and even build on the new theme without having to stop and think about it. The same holds true for transformational leaders who use our system.

This book speaks directly to the restless innovators: the current and aspiring entrepreneurs, the C-suite executives, the presidents and CEOs, and the leadership teams who sense they're capable of more. It's for the leaders who recognize that true success isn't just about quarterly results. It's about creating value for every stakeholder in their ecosystem. Most importantly, it's for those who feel stuck in the gap between their vision and their reality who are ready to discover the fastest path to extraordinary results. Often it requires slowing down to speed up.

What You'll Learn

This might sound crazy: you'll learn a simple, practical, common-sense system. It's easy to understand, learn, and implement. No wild, complicated theories.

But like the discovery of penicillin or the invention of the Post-it note, sometimes the most profound breakthroughs emerge from simplicity itself. What separates the extraordinary from the ordinary often isn't complexity – it's the courage to embrace fundamental truths and the discipline to execute them consistently.

In the following chapters, you'll discover and learn:

- A proven system for building a company that will produce extraordinary results capable of scaling to any size you want
- How to avoid the common pitfalls that derail most executives and clear away the noise so you can stay focused on what's really important
- Methods for transitioning from single-function expertise to multi-dimensional leadership
- Practical strategies, principles, and disciplines that have been battle-tested in real-world situations
- How to create and implement a mindset and culture that excites and engages all your stakeholders – employees, customers, suppliers, and bankers
- The exact methodology behind numerous successful business transformations that make the complicated simple

Maybe most importantly, this book is not a repetition of old theories, catchy slogans, and suggestions that you must figure out

how to adapt and apply to your business. It's a straightforward presentation of practical, time-tested concepts, practices, disciplines, and activities that deliver exponential results. It's based on learning what works and what doesn't work for small to mid-sized companies.

The Promise of Transformation

Imagine walking into your office two years from now. The atmosphere is different – calmer, more purposeful. Your financial statements show profitability has increased by a full 10% of your revenue. For a \$10 million company, that's an additional \$1 million flowing to the bottom line. But the numbers tell only part of the story.

Your employees, once stressed and overworked, now move with confidence and purpose. Turnover has become a distant memory. In fact, top talent in your industry regularly reaches out, hoping to join your team. Your customers don't just stay; they advocate for you, willingly paying premium prices for the exceptional value you deliver. Even your bankers and suppliers have changed their approach, offering preferential terms and special accommodations.

This isn't a fantasy. It's the documented reality for companies that have fully embraced and implemented the system we'll discuss in this book. The key word here is "fully." Like a precision timepiece,

this system works because all its components work together. Remove one gear, one spring, and the entire mechanism fails to keep accurate time.

Here's the caveat: this transformation requires commitment. If you're looking for quick fixes or planning to cherry-pick elements that seem convenient, you might as well stop reading now. This system demands complete engagement, but it rewards that commitment with extraordinary results.

A Tale of Two Paths

Meet Mike Berns and Howard Hauser. Both grew up in entrepreneurial households, watching their fathers run small businesses. Both graduated college with ambition and drive. Both achieved success – but the paths they took were dramatically different.

Mike's journey began with what appeared to be simple luck – landing a position with a visionary seasoned business owner when Mike was fresh out of college. This owner had a conceptual plan: build a company that would satisfy the unfulfilled needs of stakeholders within their marketplace, using a unique business system he had contrived. His strategy included hiring young people with no business experience but with the right mindset to be his team.

Over eleven years, Mike didn't just observe - he was systematically trained in a business approach that would later enable him to lead a struggling \$350 million enterprise. "I had no bad habits to unlearn," Mike would later reflect. "What I had was a key position in learning how to transform an \$8 million company into a \$116 million market leader."

Because of his early start and subsequent positions, Mike developed strengths in strategic thinking, planning, and execution, customer engagement, sales, performance analytics and much more.

Howard's path tells a different story. Equally intelligent and equally driven, after college, he started in fast-track positions with major corporations. His managers were products of traditional, big-company business thinking – command, control, execute. They were very light on the coaching and mentoring. So, Howard learned through what we might call the "corporate osmosis" method: observing more senior leaders, reading business books, and learning through trial and error.

In his first position, fate put him in a position to fix a broken billing department. This set the course of his career. In his first 8 years, he worked in 7 different positions with 3 different companies in 3 different industries – each fixing successively larger more complex broken functional areas.

Tired of the politics of large corporations, Howard jumped to full P&L responsibility with a small company and never looked back. Each new position was larger and more challenging. But when he and Mike met in 2002, the contrast in their trajectories was stark. The rate of acceleration in their careers was blatantly different.

The Hidden Pattern

When Mike and Howard compared their career paths, they uncovered something profound. Despite similar backgrounds – both from entrepreneurial homes, both sharing similar outlooks on life, people, responsibility, and integrity – their professional trajectories had diverged significantly. The difference wasn't in their capabilities or dedication. It lay in something more subtle yet powerful: systematic mentorship and coaching versus the self-directed school of hard knocks.

The key takeaway? Having a mentor/coach and a proven system is a huge factor in the speed with which success is achieved.

The Leadership Learning Trap

Here's where we encounter a fundamental flaw in executive development. Despite thousands of business books and magazines published each year and despite countless seminars and training programs, top executives and businesses continue to fail at an alarming rate. Why?

The answer lies in how executives typically learn their craft. Most learn on the job, like Howard did, by observing their superiors – a method that sounds logical but contains a fatal flaw. If leadership ability follows a normal distribution (and all evidence suggests it does), then at least half of these role models are, by definition, average or below average. Only about 10% are truly exceptional.

This creates a troubling cycle: executives are moving from single-function positions (sales/marketing, finance, operations, etc.) into multi-dimensional top leadership roles without adequate preparation. They struggle with greater dimensionality and strategic challenges, often learning through the same trial-and-error methods that have perpetuated mediocrity for generations.

And it goes beyond leadership. Don't get us wrong, leadership skills are critical. However, there are other skills that, as a group, we believe rival leadership in importance. If an executive with great leadership skills doesn't know how to determine the destination, he or she just becomes the head lemming leading their team over a cliff.

Breaking the Cycle

The business books and magazines that you have probably read are largely written by people with backgrounds in large academic or consulting organizations who have studied or consulted with large corporations. Yet, leaders of small companies try to

somehow apply these messages to their small-to-mid-sized company. It rarely works.

To make it worse, most consultants and academics actually make business seem complicated – perhaps because it reinforces their role as interpreters of business "mysteries." Or maybe it's because very few have actually run a company, let alone a highly successful one. Regardless of the reason, the gap between theory and practice remains wide, and the cost of this gap is measured in failed executives and struggling companies.

The purpose of this book is to close that gap.

Why We're Qualified

Forty years ago, Mike was an instrumental part of a team that developed a system that produced extraordinary growth – from \$8 million to \$116 million in just eleven years, becoming the market leader in their segment.

While Mike and Howard had divergent experiences, they each acquired unique perspectives on the inner workings of how a company operates. They each understand and can relate to the personal struggle presidents and CEOs experience.

Together, Mike and Howard offer a multifaceted view of building great companies. Yes, they're human. Of course they made

mistakes. Especially, in the early going. But they learned from their mistakes. And they always pressed on to perfect the system.

Theirs wasn't a one-time success. Their system has been implemented in numerous companies, consistently producing exceptional results.

This experience includes:

- Turning around and growing dozens of companies, ranging in size from a few million to \$350 million in revenue
- Working with, leading, and managing every aspect of B2B companies
- Learning what works, what doesn't, and why
- Understanding what top executives need to know about every aspect of their small to mid-sized company

Your Next Steps

Exceptional business success isn't about genius or luck. It's about having the right system and the commitment to implement it fully. It doesn't have to be a mystery or take decades.

This book provides a roadmap, not just theory. It's a proven system that has consistently produced extraordinary results. As you read on, you'll learn exactly how to implement these principles in your organization.

The journey to exceptional business success starts with a single decision: will you continue learning through trial and error, or are you ready to adopt a systematic approach that has been proven to work? The choice – and the opportunity – is yours.

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