

Twin Cities.com Business section:

Veit brings new leadership to Creative Memories

By Britt Johnsen

St. Cloud Times

Updated: 04/19/2010 09:40:15 AM CDT

Chris Veit has a tough assignment, but he says he's ready for it.

He's taking over leadership of St. Cloud-based scrapbooking pioneer Creative Memories at a sensitive time in its history. In February 2009, it emerged from Chapter 11 bankruptcy. The company is also to some degree affected by ongoing lawsuits current and former employees filed against past company leaders and their advisers.

Veit replaces former Global President and Chief Executive Officer Asha Morgan Moran, who resigned this month after the company's board of directors decided to make Veit president and CEO and offer Moran a different position.

Why the board made its decision remains a secret, but it ended an era. Moran was the last of the Morgan family members to work at Creative Memories and its parent The Antioch Co. since it was founded in 1926 by her grandfather.

Veit says Moran poured all her energy into the company. He describes her as a detailed, meticulous and passionate person who did a good job leading the business.

At the same time, he acknowledges the tumult of the last year and a half, and knows he and the team have a lot of work ahead of them.

Veit came to Creative Memories more than a year ago as chief operating officer, after the company's bankruptcy required help to guide it to a more stable financial place. Before arriving at his new post, he spent about 25 years in management and consulting for companies including IBM and PricewaterhouseCoopers.

As the leader of Creative Memories, Veit plans to hit a sort of reset button by clearly explaining the company's business strategy and every person's role in it. That means management must be cohesive, and each person has to feel confident and capable in his or her job.

He knows it has been a rough past several months — with the bankruptcy, the lawsuits and even how some employees didn't like Moran's leadership style.

Still, those are just distractions, he said.

He gracefully emphasized Moran was great to work with, but says that, by default, removing a leader who was at the helm during such difficult times will help set the company on a new direction.

As employees focus on their jobs and the company's mission, he's hopeful the distractions will

begin to fade.

In the beginning of his career, Veit spent most days in front of a computer. But he decided he really wanted to work with people and help businesses, so he got his MBA at the Wharton School.

He is a thin, gentle-mannered man who exudes calm and a straightforward manner in his communication. His specialties include organizational change, restructuring and information technology strategy.

Here's why that is important: Both the industry and the company are undergoing major shifts at a time when the economy is still vulnerable from the worst recession in decades. Scrapbookers in recent years have taken their craft online, which has cut into traditional scrapbooking sales.

And because of an Antioch policy that locked in employee stock value when workers left the company, Creative Memories entered the recession with a crippling financial liability. About 800 of 1,150 Antioch employees resigned between 2004 and 2007, and it owed them about \$190 million in stock value.

Current and former employees who filed suit in November 2008 say they lost at least \$50 million in retirement money, and they're still trying to recover the losses through the courts. One lawsuit alleges that some leaders profited from the firm's downfall. The company itself is not being sued, but the U.S. Department of Labor is investigating how it handled the retirement accounts.

Moran often referred to Creative Memories and Antioch as "a great business with a bad balance sheet."

So it's fitting that Veit can come in with financial acumen and expertise on how to help bankrupt companies find their breath again. He's confident about the skills he has to do it, too — such as being a good listener, building consensus and making thoughtful decisions.

"It's not quite as onerous as one might think," he said.

He also said it's important for people to be honest with each other. "You always have to be able to say what's real," he said, adding that if something's not working, he hopes people can stop and talk about a problem and come up with a way to fix it. He wants employees' input and feedback, he said.

"Developing people is really what doing business is all about," he said.

The biggest change Veit brings to Creative Memories is his focus on direct sales. He said it needs to be a great direct sales company, because without that, it can't sell its products — no matter how useful or innovative they might be.

Creative Memories will still release software and other new products. And it will continue its focus on rebranding and work on becoming known for online products the way it was a pioneer in traditional scrapbooking. He's excited, for instance, about what touch-screen technology such as the iPad could mean for scrapbookers.

But, he said, he can't expect digital sales — which account for about 20 percent of its business, with traditional scrapbook sales leading at 80 percent of its sales — to be the only way it shores up its business.

"As a company, we did very well last year," he said. He declined to provide sales figures.

"We clearly are still struggling with traditional scrapbooking," Veit said.

Heidi Everett, a former Creative Memories public relations manager who is involved with one of the former employee lawsuits, these days spends a lot of time on the legal battle.

But that's not all she thinks about. She says she's hearing from current and former workers that people are excited about a change in leadership at Creative Memories.

"Since the company's founding, the company was led by the heart and respect for people, and respect for everyone's contribution, regardless of what your title was," said Everett, who wrote the book, "Creative Memories: The 10 Timeless Principles Behind the Company that Pioneered the Scrapbooking Industry."

"I think people are hopeful that what made the company successful originally will be alive and vibrant once again."

Everett, who now works at the College of St. Benedict, said people she talks to hope the company can get back to being the pioneer it once was — for being innovative, for nurturing palpable, happy energy in the workplace and for sharing life stories.

Veit, too, has big ambitions for living the mission.

"It's what we are," he said. "It's what we have to be good at."