

the  
**PROUTY  
PROJECT**

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Read'n Route To: \_\_\_\_\_

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**"C" NOTE QUOTE:**

"We will work to support courage where there is fear, foster agreement where there is conflict and inspire hope where there is despair."



**And Last Issue's Winner is...  
Sean Anthony, Sigma Phi Epsilon,  
Richmond, VA**

Sean knew that John Rice, GE, said, "*Now we try hard to be nonbureaucratic and get great ideas from everywhere in the company. We really are a team. This is the ultimate team sport. Of course, the challenge is figuring out what you need to do to stay great. A culture that allows that, where learning is encouraged, is the biggest change I've seen.*"

Sean plans to use the gift certificate to buy a couple of books (recommended by Jeff Prouty) and invest the rest. Congratulations Sean!

● If you know who said this quote, please call (952.942.2922) or send an e-mail to [melissa.gennert@proutyproject.com](mailto:melissa.gennert@proutyproject.com) with your answer before Friday, October 26 – one guess per individual. If we have more than one correct answer, we throw those names in a hat to draw the winner of a \$100 gift certificate.

## Congrats, Congrats and Welcome!

Congratulations to Rhoda Ailts (our Director of Client Services) and Jack Reiter (CEO, ReiTech) for patenting a new gardening tool, the **PrestoPlanter**. (Check it out at [www.prestoplanter.com](http://www.prestoplanter.com)).

Congratulations to Melissa Olsen (our Manager of Creative Team Services) and Bayard Gennert on their recent **marriage**. They met while preparing for our 2005 Stretch Expedition, running the Paris Marathon, and were married in a beautiful ceremony on July 7, 2007.



Welcome to Grayce Belvedere Young, the **newest member** of Team Prouty. Grayce brings 15 years of Organizational Performance experience and will join us as President of our Organizational Performance practice. Enjoy Grayce's article on page 3.

### 2008 STRETCH Expedition: India (Understanding Microfinancing as a Tool to Help Eliminate Poverty)

Please join us Monday, October 1, 2007, 6:00-9:00 p.m. for our 2008 STRETCH Expedition informational meeting. Food and drink provided. Please RSVP to Melissa Gennert at [melissa.gennert@proutyproject.com](mailto:melissa.gennert@proutyproject.com).

Keep stretching,  
Jeff Prouty

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## ● STRATEGIC PLANNING

# BUILDING GREAT COMPANIES, BUILDING GREAT LIVES



Recently, Jeff Prouty and I interviewed Alec Covington, CEO of Nash Finch, a \$4 Billion food

distributor. Over the past 12 months, we've had the great privilege of working with Alec, his Board and his Senior Leadership Team.

Alec mentioned his greatest challenge is to keep his Senior Leadership Team intact *and* healthy so they can accomplish their "turn-around" dream and create a great company.

He's so committed to this that his recent 3½ day strategic planning session included the following "healthy" elements:

- Daily 1-hour mandatory "boot camp" workouts/yoga with trainers.
- A diet of healthy meals and snacks.
- A professional life coach to discuss stress reduction.
- A wealth management session.

This is definitely not your usual strategic planning session. However, we hope it will become a trend as more CEOs recognize the benefit of a holistic approach to creating great organizations and teams.



[mike.felmlee@proutyproject.com](mailto:mike.felmlee@proutyproject.com)

Article by  
Mike Felmlee

We took an hour of Alec's time on a host of topics including questions from my daughter, Lauren, a 19-year old college student. Here goes:

### **Alec, why the interest in this holistic approach?**

I used to work 6½ days a week, smoked 5 cigars a day, drank 20-30 cups of coffee a day, traveled thousands of miles each year and I rarely worked out.

Today, I work with a personal trainer 6 days a week, don't smoke, don't drink coffee, manage my travel schedule and I've never felt better in my life. It's simple; I want the same for my colleagues.

### **What have you learned from your best mentor?**

Ted Wetterau was my best mentor. He had this incredible ability to inspire people. I recall a time I was offered a job with another company while our company was fighting for its life in a hostile takeover attempt. I went with Ted to one of our loading docks where he spoke to the warehouse people. His message was so powerful that I called the other company and told them I couldn't leave. I did this despite the promise of more pay and security which was huge because my wife and I were living in a trailer propped up with cement blocks.

Ted had great messages, not just great ideas. He taught me that brilliant strategies weren't enough. You also need great leaders. Leaders who are not afraid to share their vulnerabilities with their colleagues.

### **What has been your spouse's best business advice?**

Gail and I have been married for 29 years and she's given me lots of great advice. Two things come to mind:

- 1 Get a really good sense for the people you hire. You do this by doing a great job of listening. I can't tell you the number of times Gail's intuition has been right-on when I am interviewing people.
- 2 She continually reminds me it's not my role to define ethics for others. She thinks I'm a fanatic about this. Today, I hire people with integrity who are intuitive and demonstrate a strong work ethic. Then, I try to get out of their way. I wasted a lot of time earlier in my career thinking I had to be involved in every decision. By doing so, I actually robbed some people of the opportunity to make a difference.

### **What have you learned from your mother or father?**

I learned the power of humor from my mother and how she used it to disarm others, especially my father's temper. My father was a very smart man who grew up in really tough conditions. He was a millionaire by age 20 and subsequently lost it all. My parents were divorced at age 60. So, don't take your family relationships for granted, no matter how bad it gets. Today, my dad is more like an acquaintance, which I truly regret.

### **What's been your biggest frustration as a CEO?**

My biggest frustration has been my inability to anticipate change and its impact. This consumes me. Living in this world can make you one heck of a chess player. But it's really tough for me to turn it off. That's why I keep a journal next to my bed, to capture ideas that wake me up in the middle of the night.

### **Could you tell us about your annual "December reflection" process?**

Every year I take the week off between Christmas and the New Year to write answers to these three questions:

- 1 What's working well?
- 2 What's not working well?
- 3 What could I have done differently?

Over the years, I've compared my answers. Overall, I think I'm doing a pretty good job. But looking back, the one thing that has bitten me over the years was delaying the tough decisions.

### **Finally, any advice for a 2nd year college student?**

Yes, don't think the only way to get ahead is to work longer, faster and harder than everyone else. I did that for 20 years. Nobody came in earlier or left later than I did. Then, I found out I had tumors in my chest. I had six months of drugs and therapy and lots of time to think. And, guess what? Everything was fine back at the office.

Now, I still work 50 to 60 hours a week. But, Gail and I have an agreement — no work on Sunday and only half a day on Saturday. I may go into the office one weekend a month. And, I think I'm more effective as a leader.

**Wow, Alec, we appreciate your candor and wish you the best!**

## ● ORGANIZATIONAL PERFORMANCE

# OP FRAMEWORK — THE PROUTY WAY



[grayce.belvedere.young@proutyproject.com](mailto:grayce.belvedere.young@proutyproject.com)

Article by  
Grayce Belvedere Young

Why is it that we continue to get calls six months after we've been engaged with a client asking us to help them create a strategic roadmap that will enable them to overcome the struggles and challenges they are having with executing the plan?

We think it has a lot to do with the following quote from T.J. Rodgers, CEO of Cypress Semiconductors, that is on our wall in the *Creative Think Tank*...

***“Organizations don’t fail for lack of talent or vision. They fail for lack of execution.”***

Thus, it's no surprise that we're embarking on building our Organizational Performance practice at the Prouty Project. Organizational Performance (OP) is a thoughtful extension to the Strategic Planning expertise for which the Prouty Project is known.

Execution, the missing piece, is precisely where OP fits in – to ensure your organization's strategy is fully executed. What does that mean? To help you understand, it means:

- You and your team members understand and are aligned to your organization's strategy and their part in the strategy.
- You select team members whose skills and experiences will help you achieve your strategy.
- You coach and develop team members to achieve their goals towards the strategy.
- You recognize and reward team members to ensure their continued engagement and focus on solving customers' challenges.

Typically, the responsibility of aligning goals falls on one's immediate boss to translate the overall business strategy in a meaningful way and link each individual team member's goals to the company and department goals.

Unfortunately, the action of aligning goals is often viewed as an “HR-check-the-box-activity” and yet when you consider the criticality of knowing

who is accountable for what deliverable and when, the frame of reference changes considerably.

What can be more important than this? This recognition is a vital step to ensuring an organization is purposefully aligned to accomplish the business' goals and this becomes paramount to your success.

The OP practice area takes your well-defined strategy and helps you purposefully ensure you accomplish your business objectives. We know from experience, the full execution of your strategy may benefit from one or more of the following OP efforts described in the box below.

All of the OP efforts help you focus your team members on necessary changes and innovations to ensure customer satisfaction, loyalty and retention.

We'll help assess where you are on the framing/planning/execution continuum and outline a comprehensive implementation plan infused with OP and change management best practices.

We'll also help you approach your business from an organization-wide perspective to engage team members to solve customers' challenges and create customers for the long term. Through a combination of initiatives (business process improvements and/or programs), we will define an approach for you to achieve change in your organization, drive profitable growth and meet your business goals.

As you know, it's not just about talent and vision. It's about how you execute! We look forward to helping you execute your strategic plans.

OP EFFORT	HOW THIS HELPS YOUR BUSINESS
Performance Management	Creates a straightforward process and accompanying tools to drive business goal alignment from the CEO to the front-line employee while providing feedback on performance
Talent Management & Succession Planning	Ensures you are investing your resources to develop and leverage key talent for critical assignments and positions
Leadership Development Systems	Reinvigorates business processes and programs to accelerate and reinforce development of next generation leaders
Leadership Coaching	Builds your leaders' professional capabilities and capacities to accomplish business results
Team Effectiveness	Leverages approaches to connect your team to the mission, vision, work and roles to achieve your business' strategy
Change Management	Implements a plan to ensure all employees understand the reason for the change, the change itself and their impact/role in the change
Employee Engagement	Leverages best practices to determine refinements in business philosophy, approaches and processes to deepen employee engagement and commitment to customers
Recognition & Rewards	Ensures that your recognition approaches and structure reward the level of performance necessary for success
Culture Revitalization	Together, all of the factors above, in varying degrees, drive towards revitalizing your culture and driving innovation to benefit your customers

## ● LEADERSHIP DEVELOPMENT LEADERSHIP...THE REAL DIFFERENCE BETWEEN GOOD AND GREAT!



Article by  
Teresa Daly

[teresa.daly@proutyproject.com](mailto:teresa.daly@proutyproject.com)

Why would two firms in the same basic industry with comparable financial results be valued differently by the market? Why is it that when senior executives from GE leave to become CEOs at other companies, the companies' stock prices go up dramatically beyond industry averages?

These are questions that I heard business/H.R. guru, David Ulrich, pose to an audience a number of years ago. His premise was that the market will value a company based on a number of factors, but the "brand" of the leadership was a significant factor. At the Prouty Project, we think he is right! Volumes have been written on leadership over time. Organizations today are placing more and more emphasis on developing leaders, typically by identifying a set of competencies that leaders must have to be successful and then hiring, developing and managing performance to that competency model.

Other models emphasize that leadership development is really about finding the leader within, helping each leader discover his or her own unique leadership attributes to develop and leverage.

Funny thing is, if you took all the leadership competency models that have been developed over time and listed them side-by-side, the lists would be almost identical!

At the Prouty Project, we know that *good* companies can have great leaders, but great companies have

*great* leaders with a "brand" of leadership that measurably differentiates them in the market. In other words, the "brand" that the leadership carries is a significant factor in how the market will value their company's stock price.

Developing a unique leadership brand isn't about a set of rare competencies you wouldn't find elsewhere. It's about what those competencies enable the company to do. Companies with a strong leadership brand have leaders who typically hold a set of 3 to 5 common "brand" competencies that:

- 1 Give the organization capabilities which dramatically set them apart from their competitors and allow them to achieve great things.
- 2 Create an environment where people thrive, grow and are motivated to perform at their highest level.

Therefore, in our work with leadership development, we focus on asking the question, "*What is your "brand" of leadership that will differentiate your company, allowing you to excel in your market and achieve great things?*"

The other critical component of great leadership is found in leaders who are self-aware and emotionally intelligent people who own and develop what is unique to them as leaders. Leaders who can develop, both in the context of the organization and their individuality as a "whole," stand a much

better chance of greatness than those who are forced into a "cookie-cutter" model.

When focusing on developing leaders in your organization, have you asked these important questions?

*"What is it that our company does better than anyone else and what is it about our leadership that gives us this capability?"*

- *Is it their sense of urgency?*
- *Is it their ability to think more strategically?*
- *Is it their ability to attract the best and brightest talent?*

*"What is it that our leaders need to be able to do to dramatically set us apart from our competition and achieve great things?"*

- *Is it a willingness to take risks?*
- *Is it global knowledge?*
- *Is it an ability to inspire others?*

The work of solving the puzzle that will unlock the keys to developing great leadership continues and will continue far into the future. We believe that understanding how to "brand" leadership for organizational greatness is a huge step in the right direction.

As always, we invite you to engage with us in the ongoing dialogue of what makes great leadership and how organizations can achieve great things.

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**THANKS!**