

the PROUTY PROJECT

6385 Old Shady Oak Road, Suite 260, Minneapolis, MN 55344

800.747.7469 952.942.2922 fax: 952.942.2927
www.proutyproject.com

Read'n Route To: _____

Return To: _____

"C" NOTE QUOTE:

"People don't realize how important culture and chemistry in the locker room are. When your star is the first to the gym and last to leave and treats everyone from the ballboys to the coach and the owner with the same high level of respect, the positive value to the team isn't measured with stats and can't be replaced."

● If you know who said this quote, please call 952.942.2922 or send an e-mail to kari.baltzer@proutyproject.com with your answer before **Friday, October 31** — one guess per individual. If we have more than one correct answer, we throw those names into a hat and draw the winner of a \$200 gift card.

Yes, that's right, \$200 this issue because we stumped you all in our last issue! There was no winner! Therefore, we are giving last issue's gift of \$100 to this issue's winner!

So, for those curious to know ... **Philippe Cousteau, Jr.** said the following:

"We are storytellers, because that's the first step in getting people to change their behavior. We're about inspiring action."

Thanks to all of you that entered your guesses! Better luck this quarter!

One World, One Dream

Dan Kraninger, a good friend and fraternity brother, was recently busting my chops about "death, taxes, and the Prouty Project quarterly newsletter" being the only "for sures" in life.

We sure hope you enjoy this issue.

With the Beijing Olympics just finished, please consider:

- ① What does **"one world"** look like 10 years from now?
- ② What does **"one dream"** look like 10 years from now?
- ③ What does a **"Phelpsian feat"** look like for you over the next four years?
- ④ What does **"one team, one dream"** look like for your company?

And, as you consider exploring "one world," consider joining us on STRETCH 2009.

We're heading to South Africa for a 300-mile bike ride, culminating in the 68-mile Cape Argus Cycle Tour. It won't be a "Phelpsian feat," but it will stretch us in a **BIG** way.

Interested? E-mail Jayna at jayna.wallace@proutyproject.com.

Keep dreaming, keep stretching, keep riding. Jeff Prouty

jeff.prouty@proutyproject.com



Jeff

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE
PAID
PERMIT NO. 125
CHASKA, MN



● STRATEGIC PLANNING

EXPLORING BLUE OCEANS OF POSSIBILITY



peter.bailey@proutyproject.com

Article by
Peter Bailey

How many of you have switched off your car radios to avoid one more diamond jeweler touting the benefits and service of their mall store over another down the corridor? Or switched T.V. channels as friendly car salespeople stroll down aisles of parked vehicles claiming some special not-to-be-missed deal?

Mature economies are crowded with competing companies vying for limited market share, media scrambling for mindshare, and consumers cajoled to select their product or service over their competitors. Such is the environment of the “red ocean,” where “big box” electronics stores carve through a virtual frothing sea of perceived customers, like sharks searching for the last bobbing morsels.

As familiar as these high pressure sales scenarios may be, these companies are not mis-guided, they are just suffering from a lack of imagination. The revolutionary book, *Blue Ocean Strategy* by W. Chan Kim and Renée Mauborgne helps us to find a new way to go to market.

Blue Ocean Strategy challenges us to go beyond the “red oceans” of the familiar, and to envision our products and services with new eyes.

Cirque du Soleil, The Singapore Zoo, and Croc Shoes

In their book, Kim and Mauborgne identify a number of companies that have sailed free of the limiting belief of the status quo and found new products, delivered services in new ways, and discovered new markets. **Cirque du Soleil**, for example, cracked the centuries-old paradigm code of the circus business model by changing the fundamental experience of the audience. Instead of hard bleachers, aisle concessions, and low-cost ticket prices for high-thrill events in “three rings” coming through town once a year, they offered velour couches, wonder-filled artistic performances multiple times a year for seven times the ticket price ... and guess what? Their performances are sold out every night.

Welcome to blue ocean!


Or, take the **Singapore Zoo** which was struggling with the high cost of animal care expenses, and the niggling complaints that the animals were “not moving” in their display cages. “Blue ocean” strategic thinking helped them realize that the zoo’s numerous nocturnal animals might be more interesting to a curious public if they opened a “night zoo” experience, which would show them in all their nighttime busyness. A profitable solution, right there in front of them, and yet, they were the first zoo in the world to come up with it. **Welcome to blue ocean!**

Denver-based **Crocs** took the world by storm when they created lightweight, comfortable footwear for a reasonable price out of a myriad of resin colors. Imitators tried to copy them, but Crocs was too far ahead of them ... and they never made a dent on their market share.

No matter your business model, infrastructure, industry, or market ... “blue ocean” strategies can unlock new products, services, systems, or processes which will separate you from the other sharks in your business, and put you in clean, clear water far from your closest competitors.

Try this on a napkin: ① Take any aspect of your business ... the way it is currently operating. ② Identify 4-5 features that describe or identify it. Write these down on the top edge of the napkin. ③ Now on the bottom edge of the napkin, write down the exact opposite of each of the descriptors.

Example: The Circus

TOP EDGE:	Low Ticket Price	Dangerous Acts	Bleacher Seating	One Event Per Year
	↓	↓	↓	↓
BOTTOM EDGE:	High Ticket Price	Artistic Performance	Luxurious Seating	Multiple Events Per Year
				

Welcome to the beginning of “blue ocean” strategies, a new way to envision the future of your business by easing away from the moorings of the status quo. By doing this, you might not come up with a new circus, mini-van, multi-plex movie theatre, or a Cayman Island golf ball, but you might discover a new way to take your business away from competitors and into “blue oceans.” **Bon Voyage!**

If you are interested in learning more about how you and your colleagues can benefit from a “blue ocean” conversation, contact Peter Bailey, 952.229.8969 or Grayce Belvedere Young, 952.229.8964.

● ORGANIZATIONAL PERFORMANCE

LEIDER ON LIFE: THE SECOND HALF

Interview by Jeff Prouty



I recently caught up with **Richard Leider** (according to *FORBES* magazine, “one of the top five most respected” coaches) to talk with him about his recently published book,

Something to Live For. Early in the conversation, Richard made the comment that there are three elements of leadership:

- 1 Understanding the business;
- 2 Understanding others;
- 3 Understanding yourself.

Richard, age 64, has devoted the past four decades to “understanding yourself.” In addition to his rigorous consulting and speaking schedule, Richard is currently sharing his wisdom in the Harvard Business School Executive Education Program.

As you chart out the next “leg” of your leadership journey, enjoy the excerpts from a lively Leider discussion.

Prouty: *How did you decide to write your latest book, your 8th book?*

Leider: I wanted to claim space in the notion of positive aging. We all need to harvest the wisdom of the first half of our lives, so the second half is not just a rehash of the first half. This book is a deeper dive into the spiritual elements of aging.

Prouty: *What did you learn about yourself while writing the book?*

Leider: Writing is always about learning. I write every single day. I make a pot of coffee in the morning, and then spend 60-90 minutes writing. I write on a legal pad of paper with a pen. To those who say, I could write faster on a computer, I say, I don’t want to write faster, I want to write clearer.

Prouty: *You’ve worked with a lot of leaders over the past 40 years — any general observations?*

Leider: One of the major de-railers for leaders is the inability to “understand and manage yourself.” The lack of personal purpose, values, and core beliefs gets in the way. Leaders need to step back and hit the “personal pause button” on a regular basis.

Prouty: *What about parenting? Any observations on that front?*

Leider: The greatest gift we can give our kids is modeling a fully-lived life. I hope my kids (Greta, 34, and Andy, 37) say, Dad was always there for us, and he lived an authentic life.

Prouty: *You’re 64 years old. What do you see over the next 20 years for yourself? What’s the next “leg” of the journey look like for you?*

Leider: I will never retire from something I love to do so much. I may “diversify my portfolio” a bit, but I want to stay focused on the topic of positive aging. Our research says that “money, medicine (health), and meaning” are critical in the second half of life. I want to help leaders continue to think about “meaning.”

Prouty: *I remember reading an article in FORTUNE magazine a few years ago about CEOs “failing in retirement.” Do you think this continues to be an issue?*

Leider: Many CEOs are still failing in retirement. Many of my clients are men; they’re scared about what they’ll do next. I believe they can learn new models and lessons for the second half. Positive aging demands positive practices.

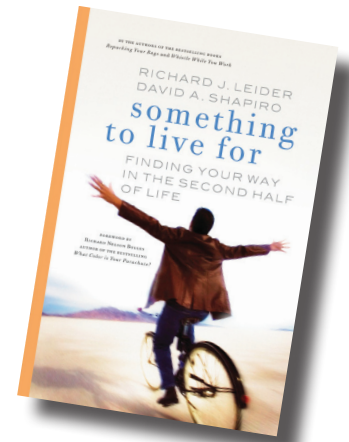
Prouty: *For example?*

Leider: We should all be doing annual “purpose check-ups.” Many of us do annual “financial check-ups,” we do annual “physical check-ups,” but very few people do an annual “purpose check-up.”

Prouty: *Anything else you want our readers to know about?*

Leider: I’m excited to invite them to the “2nd Annual National Positive Aging Conference” at the University of Minnesota, November 12, 2008. I’m excited to be a leader and key player in this movement. Purpose is good medicine.

Prouty: *Richard, thanks for taking the time to hit the “pause button” and sharing your wisdom with our readers. I love the notion of an annual personal “purpose check-up.” Keep the good ideas coming.*



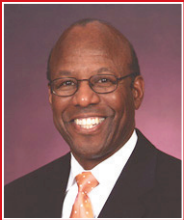
● CEO PROFILE

CEO WITH A PASSION FOR EDUCATION



Interview by
Mike Felmlee

mike.felmlee@proutyproject.com



Dr. Clifford L. Stanley, Major General, USMC (retired) led a distinguished 33-year career with the U.S. Marine Corps before becoming the president of Scholarship America, the nation's premiere scholarship and educational support organization, in 2004. Stanley, commissioned as a Second Lieutenant in the Marine Corps upon graduating from South Carolina State University, embarked on a military life that was distinguished by consistent promotion and ongoing education, becoming the Marine's first-ever African American regimental commander early in his career. As president and CEO of Scholarship America, Stanley is still serving his country.

We had the opportunity to work with Cliff, his colleagues, and board members over the past year in conjunction with their strategic planning process. I was able to catch up with Cliff, to ask him a handful of questions. Enjoy his responses:

I've heard you use this quote often ...

"I can think of no higher calling than to serve an organization that is focused on the students of our country — particularly those who are traditionally underserved — and providing access to education beyond high school."

Q: *Why is education your passion?*

A: My mother had an eighth-grade education, and she pushed me to excel despite some challenges I faced in my Washington, D.C. primary school. Unfortunately, many of my friends dropped out of school because of family circumstances, bad schools, and rough neighborhoods. Some had the talent and passion, but couldn't break out of this vicious cycle. Students today face the same issues; in fact, only around 30% of students from lower-income families graduate from college. I've devoted my life to breaking this cycle and assuring that every student with the desire and aptitude has the opportunity to attend postsecondary education.

Q: *As a retired Major General, how has your military experience prepared you for your CEO role?*

A: Good leaders, whether in the Marine Corps, the nonprofit sector, or in business, know that their people are their number one asset. I believe that taking care of your employees, through appropriate training and development opportunities, along with formal and informal recognition, should be a leader's top priority.

Q: *You serve the board of Scholarship America as CEO, in addition to serving on several other boards. Please share your advice to other CEOs for working with their boards.*

A: **1.** Talk from the same sheet of music. Ensure the board is aligned with the organization's strategic vision and direction. **2.** Help the board to understand the difference between your role and their role. **3.** Put down turf markers to be assertive — yet know

when to compromise and when to be assertive. Choose your battles. **4.** Think through your CEO performance objectives. Talk with the board and your staff to ensure clarity around them. Use metrics that everyone agrees upon. Review objectives periodically to ensure there are no year-end surprises.

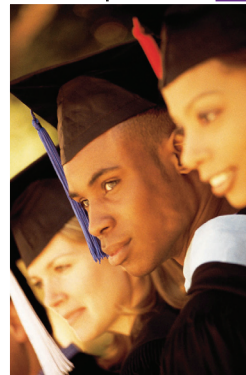
Q: *Any advice for a new board chair?*

A: **1.** Form a solid partnership with your CEO by developing a relationship that will sustain you in good and bad times. **2.** Remember the CEO is accountable to the board, not just the chair — for everything his or her staff does and doesn't do. **3.** Understand that mistakes will happen in any organization that continually strives for greatness. Good CEOs will encourage their senior leaders to take prudent risks, but even then, they may miss the mark. Be patient. **4.** Keep former board members as "honorary," private advisors who can be beneficial as sounding boards on key issues. **5.** Find specialists in different subject-matter areas who participate in one-year, advisory terms. It's a great place to go for future board members.

Q: *What would you like to be your legacy?*

A: I've learned you can't believe your own press clippings. Despite the success of Scholarship America — we've awarded more than \$2 billion in scholarships to 1.5 million students in the past 50 years — we are still relatively unknown. To leave a legacy, it's important to keep evolving to ensure we remain relevant to America and make a difference in our formal and informal education system. We've just finalized a strategic plan that will take our organization, and the students we serve, to the next level. Our goal is to help students get ready for college, get into college, get out of college (graduate), and give back to their communities, effectively creating a NEW cycle (and breaking the old).

Cliff, thank you for sharing your words of wisdom, and we wish you and Scholarship America much success. I invite our readers to find out what's possible at Scholarship America, www.scholarshipamerica.org.



the
**PROUTY
PROJECT**

800.747.7469
952.942.2922 fax: 952.942.2927
www.proutyproject.com
6385 Old Shady Oak Road, Suite 260
Minneapolis, MN 55344

Bigger Goals • Bolder Strategies • Better Collaboration

• Moving?
• Address incorrect?
• Receiving duplicate copies?
PLEASE LET US KNOW...

Call 952.942.2922 or e-mail stretch@proutyproject.com.

THANKS!