

the
**PROUTY
PROJECT**

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"C" NOTE QUOTE:

"A senior executive called me into his office and said, 'Look, it will stretch you in ways that aren't going to happen if you play it safe.' The experience convinced me that the best thing you can do to develop people is move them in ways that take them out of their comfort zone."

● **If you know who said this quote**, please send an e-mail to kari.baltzer@proutyproject.com or call 952.942.2922 by **Friday, January 29** – 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 \$100 gift card.

And last issue's winner is... Robyn Kunz, Rental History Reports, Minnetonka, MN. Robyn knew that Thomas Wajnert, retired chairman and CEO of AT&T Capital Corporation, said the following: *"More emphasis should be placed on developing leaders and supporting the company's highest-paid employee to create a high-performance organization and succeed in these difficult times. Throwing the CEO a lifeline in the form of an experienced senior advisor is an important step for boards to consider in ensuring success for the CEO and the company."*

Congratulations Robyn! Robyn says she plans to use the \$100 to "treat my mother to a nice Christmas dinner."

89 Boards of Directors

Over the past 22 years, we've had the exciting opportunity to work with 89 Boards of Directors – publicly-traded, privately-held, and not-for-profit.

As you reflect on 2009 and focus on 2010, is your board:

- **Engaged** – Are you engaging them in strategic discussions, or talking at them in scripted presentations?
- **Aligned** – Are they "in sync" as a board? Are they "in sync" with your management team?
- **Defined** – Are they (and you) clear on the strategic direction of the business over the next 3-30 years?

2010 STRETCH EXPEDITION: Medical Clinic Construction, Peruvian Amazon, June 17-26, 2010

If you want to venture even further out of your comfort zone in 2010, please join us on Tuesday, February 2, 2010, 6 - 8 p.m. for our informational kick-off meeting. Interested? Please RSVP to jayna.wallace@proutyproject.com.

Have a spectacular and "stretchtacular" 1st quarter,

jeff.prouty@proutyproject.com



● STRATEGIC PLANNING

THE “NEW NORMAL”



mike.felmlee@proutyproject.com

Article by
Mike Felmlee

We recently had the opportunity to work with Rick Ayers, Vice President of Employer Plan Services for Securian Retirement. Securian has been serving clients since 1880 and is one of the 25 most highly rated life insurance company groups in the United States.

As part of the strategic planning process, we talked about the “new normal” and how it affects his organization. Specifically, I wanted to know if increasing government regulations in the financial industry and the world-wide economic recalibration we continue to experience have changed the way he and his colleagues were thinking about strategy. Here are Rick’s comments – I think you’ll enjoy and benefit from his reflections of 2009:

How did the recent financial meltdown change your thinking around strategy and the strategic planning process?

I’m not sure it’s really changed our thinking as we believe strategy is the backbone of any successful business. Rather, it’s reaffirmed the importance of three areas of our thinking:

- 1) Strategic planning is no longer a once-a-year approach but rather an ongoing process.
- 2) The need to articulate what we do best and our vision for the company is critically important to achieving alignment throughout our organization.
- 3) Our success going forward is directly tied to our flexibility and nimbleness to respond quickly when the environment changes.

What did you do differently in your strategic planning process this past year?

We made two changes:

First, we actually challenged senior leadership to see if we could describe what we do best as an organization and articulate our collective vision for Securian Retirement – in 35 words or less. This seems really simple, but it’s not. We spent many hours over several sessions to do this and we’re proud to say we did it – in 38 words.

Secondly, we recognized the futility of trying to predict the future. Consequently, we incorporated the concepts of “drivers” and “levers” into our strategic planning language. This helped our leaders better appreciate how important it is to be flexible and nimble in a fast-paced, ever-changing world.

Our experience suggests there is a direct correlation between our environmental drivers (big movements in financial markets, changes

in economic activity, regulatory changes, and significant competitor responses), and how hard we pull our levers (strategies), and the actual order in which we pull them to move the organization forward. We also created various scenarios and applied environmental drivers and related levers to form different combinations of strategic possibilities.

Please talk more about these scenarios.

We identified our environmental drivers and defined optimistic, pessimistic, and status quo scenarios around each of them. We then identified what levers or strategies we would pull to respond to each of them. Unfortunately, reality rarely (if ever) follows these broadly defined scenarios.

Consequently, we created a most likely scenario – in our case it was a hybrid of all three of them to determine how hard and in what order to pull our levers. As you can imagine, we are talking about levers constantly as we monitor changes in these environmental drivers throughout the year.

Any additional advice you want to share to help our readers lead boldly through the “new normal?”

Remember that “less is more” in communicating your vision to your colleagues. Streamline the communication and ensure it says exactly what you want it to say. This message has to enable them to see how what they do contributes to the overall vision of the organization.

Your scenarios will change. It’s a given. You need to act like an NFL coach holding a laminated one-page gameplan. Always have secondary plans (levers) in case the game (drivers) takes a different course than you anticipated.

Help your colleagues understand resources are finite. While this seems like a simple concept, it’s very difficult to get this point across in practice. And, remember, it’s how you allocate them that will determine if you win or lose.

Thanks, Rick, and best of luck to you as you lead the way through the “new normal.”



Rick Ayers

● ORGANIZATION DEVELOPMENT

THE PRACTICE OF ADAPTIVE LEADERSHIP



peter.bailey@proutyproject.com

Article by
Peter Bailey

“It is not the strongest who survive, but those who are most adaptable.”
~ Charles Darwin

Recently, I had the good fortune to hear Marty Linsky speak, co-author of *The Practice of Adaptive Leadership: Tools and Tactics for Changing Your Organization and the World*. Marty and his colleagues use a “Darwinian” analogy for human and organizational development. By recognizing and valuing adaptation, he suggests we are more likely to be both more effective and more successful – oh, and by the way, we might live longer too.

“Exercising adaptive leadership is dangerous... The dangers reside in the need to challenge the expectations of the very people who give you formal and informal authority.”
~ Marty Linsky

Marty Linsky stressed six skills to help us be more adaptive in our leadership of our organizations:

1) Adapt don't just execute.

We need to find ways to continually evaluate the decisions we make based on current conditions, not just past patterns. In terms of this new economic downturn, he suggests we let go of the notion of “waiting for things to get back to normal.” Things will never look the same again. Linsky strongly encourages us to move ahead with flexibility and agility.

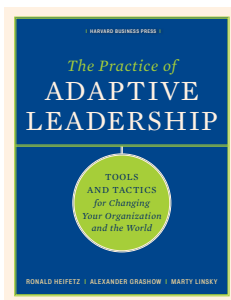
2) Surface conflict, rather than simply resolve conflict.

Too often we try to smooth the rough edges in our organizations, by finding the problems and fixing them. Instead, Linsky challenges us to see the points of conflict differently. Instead of resolving them, we need to see them as ways to uncover what is really going on in our organizations.

3) Look for “next practices,” not just best practices.

Best practices are static. And once they are deemed “best,” they sit on hallowed ground preventing other ideas from taking their place.

“Next practices” are alive and vibrant, and keep us constantly learning. We need to invent the future. Remember, he says, “nobody has ever been here before.”



4) Develop an experimental mindset.

Much about adaptability is trying to see if things work in these new and different conditions, rather than not making the attempt at all. Part of developing an experimental mindset is to give yourself and the people you work with permission to fail. This permission can be structured too, with redefined definitions for success, a message to all of the experimental nature of the task, and by conducting small experiments. Linsky says, “When you adopt an experimental mindset, you actively commit to an intervention you have designed while also not letting yourself become wedded to it.”

5) Dissemination of information = power.

Linsky is quick to remind us that the “old school” had us hoarding information as a means to power. The next practice is to recognize that dissemination of information will actually give us power. AOL, LinkedIn, Facebook, Google, Yahoo, Wikipedia, Shareware, Linux open-source operating systems, TED.com, etc., all herald the concept of collaborating more openly, essentially giving away information. Where can we modify our behavior so that we are making information accessible to all, rather than hoarding it among a few in our organizations?

6) Take better care of ourselves in the process.

Marty Linsky's parting comments were given to a stunned crowd – he, a former nine marathon finisher, says that we are not adapting if we are killing ourselves at our jobs. We need to take better care of ourselves. It is not self-indulgent, he says, to take care of ourselves. There is nothing honorable or noble if our minds and bodies suffer for the cause. In Marty's earnest letter to President Obama (Cambridge Leadership Associates Newsletter “Leading Adaptively,” Winter 2009) he encourages him to build time for reflection, be wary of technical expertise, govern experimentally, and to take care of himself. His words to the President are important for us all:

“... But before you get caught up in all this experimenting, do not forget to take care of yourself. The Hawaiian vacation was a step in the right direction. Keep making this a priority. Rest. Keep eating arugula. Keep shooting those hoops. And, keep tucking your kids into bed. We need you to be at the top of your game.”

Jammin' 2010

These **Jammin' Sessions** are held the first Tuesday of each month, from 7:30 – 9:00 a.m. in our Creative Think Tank or Strategic Leadership Lab. The sessions are offered free of charge. Seating is limited, so we ask that you RSVP on our website, www.proutyproject.com/proutyevents or to kari.baltzer@proutyproject.com.

We look forward to seeing you in the New Year!

We are excited to present our **2010 Jammin' Session** schedule. These are high-energy, high-octane, high-interaction sessions designed to stretch your thinking about business and leadership strategy.

Pictured top to bottom: Cassandra Marshall (college intern), Denney Nguyen (college intern), Grayce Belvedere Young, Jayna Wallace, Jeff Knack, Jeff Prouty, John Hensel (grad student intern), Kari Baltzer, Melissa Gennert, Mike Felmler, Peter Bailey.

#143	January 5	<i>"DISCOVERING WHAT MATTERS: Balancing Money, Medicine, and Meaning"</i> Richard Leider, Founder and Chairman, The Inventure Group; and bestselling author
#144	February 2	<i>"Nothing Is Impossible, American Business: The Last Hurrah?"</i> Terry Hitchcock, motivational speaker and author
#145	March 2	<i>"Money and Engagement: Once you find the money, here's how you engage your team to act on the best opportunities"</i> Tom Kuhn, CEO, Qnity, Inc.
#146	April 6	<i>"Just Ask Leadership – Greatness Happens When You Ask"</i> Gary Cohen, Partner and Co-Founder, CO2 Partners, LLC; Executive Coach and author
#147	May 4	<i>"The Twelve Step Program to Turn Around Your Top-Line"</i> Tim Donaldson, President, Donaldson Group, Inc.
#148	June 1	<i>"Bad Bosses Are A Public Health Issue"</i> Monica Moses, Principal, Zumo Consulting, LLC
#149	July 6	<i>"Creative Leadership – Managing In a Tough Economy"</i> Paul Tuckner, President, Grace Technology and Development
#150	August 3	<i>"Inspiring Leadership"</i> Scott Edinger, Executive Vice President, Zenger Folkman; and author
#151	September 7	<i>"9/11/01 North Tower World Trade Center – A Survivor's Story"</i> Scott Wallace, Director, Performance Management Technology, Deloitte Consulting
#152	October 5	<i>"What's Your Company's Story? And How – and Where – Are You Telling It?"</i> David Gee, Executive Editor, Minnesota Business magazine; Principal, G-Force Communications
#153	November 2	<i>"Crossing Cultures: Succeeding When Business and Cultures Work Together"</i> Israel Alguindig, Managing Consultant, Forum Business Consulting Pixie Martin, Consultant, Communications and Training
#154	December 7	<i>"The Practical Artist: Applying Artistic Principles and Philosophies In an Inartistic World"</i> Chris Carlson, Esq., President and Founder, NarrativePros, LLC



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