



ASLON Chronicle

Dedicated to bringing relevant global leadership trends focused on integrity and values to senior business executives .

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Integrity in Leadership

Putting principles to practice.

By Timothy Smith

In my work to identify strong leaders, I continually study the qualities of excellence in leadership. Integrity is one of those qualities. This issue of *The Chronicle* examines the role integrity plays for leaders of companies. In this article, I share some of the characteristics which define integrity that I have come to better understand over the years from interviewing, consulting, and coaching hundreds of leaders. In the points below, I summarize what I've learned from my experiences in working with leaders, as well as knowledge acquired from books and seminars, particularly my coursework at Lifework Leadership (www.lifeworkleadership.org). While I strive to practice these principles myself at the ASLON Group, in no way have I mastered them; I am a perpetual student.

Unfortunately, in today's business world, integrity is a term that has become somewhat marginalized and overused, therefore losing clarity. So, what does it really mean? I like Wikipedia's definition:



“Integrity is an intuitive sense of honesty and truthfulness in regard to the motivations for one's actions. The opposite of hypocrisy.”

In a recent search for a Vice President, we wrote the position profile specifically calling for such qualities. The profiles states: “The person who excels in this position will adhere to an appropriate and effective set of core values and beliefs during both good times and bad times; acts in line with those values and practices what he or she preaches.”

The principles of integrity are really quite simple; however, they become extremely significant and profound if practiced consistently.

DEMONSTRATE HONESTY AND CHARACTER.

- Be honest in all things without compromise. If you're honest in the small things, you'll be honest in the big things.

“In matters of principle, stand like a rock.”

~ Thomas Jefferson

VIEWPOINT:

A personal perspective from manufacturing leader/board member.

The Chronicle continues its series of articles profiling members of the ASLON Group Advisory Board with the purpose of introducing these individuals to our readers and sharing their insights. In this issue, The Chronicle features, John DuRoss, Vice Chairman of Enerco Group Inc. (EGI), a privately-held manufacturer of specialty heating products (including the well-known national brands Enerco, HeatStar and Mr. Heater) in Cleveland, Ohio. From 1981 to 2008, John served as President and Chief Operating Officer of EGI and has been instrumental in developing the company into the industry leader it is today.

Here John gives his perspective on integrity, the importance of advisory boards, and the role of a CEO. Look for additional commentary from him on succession planning and executive searches in the next issue of The Chronicle.

INTEGRITY

Stay the course.

Integrity is sitting down with your leaders to determine your vision for the business and what you value. Then it's about staying on that course, constantly and consistently. Integrity means being humble and honest and sincere. It means being unwavering even during difficult times -- it's sticking to your values. It's *not* cutting corners or making a promise you can't keep. It's staying calm and controlled, believing in your vision, no matter how significant the adversity or problem.

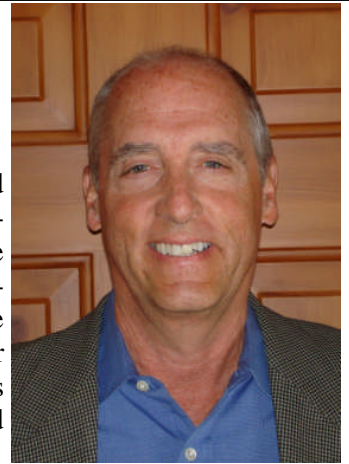
Integrity is doing what you say you're going to do.

I believe in running a business from a Biblical perspective -- what the Bible says about servant leadership and how to treat people, from the golden rule to speaking the truth in love. Jesus models servant leadership which everyone can appreciate and learn from.

Invest in people.

We invest in our people. It starts at the top with Al {Allen Haire, Chairman and CEO} and me. We've put our partners and team members ahead of ourselves. Over the years, we've not asked, what's good for us? But, what's good for the company? We always believed that what was good for the company was good for us. We've

put the company first and foremost and I think our people can see that. And they've seen where they could advance in their careers. We've significantly invested our profits into our people as well. We have an active and prolific profit-sharing plan.



Along with our integrity-based leadership, it's a fun place to work. Our motto is: 'Work hard, have fun and make money.' And we do that. Over the last 30 years, Enerco Group has averaged year-over-year compounded growth of more than 15 percent.

But making money has never been at the forefront, not the first objective. Our primary objectives are to:

- Create excellent products – products that meet niches in the marketplace.
- Put our people and products first.
- Remain loyal to our customers, our employers and our suppliers.

ADVISORY BOARDS

Create a think-tank.

I'd suggest an advisory board for anyone. Like Tim has done with ASLON, you can pick and choose people from different areas of business. We bounce ideas around at board meetings. We've been like a think-tank for him. We can see things from the outside – from that 5,000-foot view because we're not groveling around in the day in and day out. We're not looking over his shoulder, but we help him stay on task and we provide another view.

We're constantly challenging him. We've asked him to take a hard look at things:

- Where does he want to go?
- What is his vision?
- What is his succession plan?

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The Importance of Advisory Boards

An advisory board can be a strong asset to organizations, according to Tim Smith, who speaks from personal experience. After working for a top-10 executive search firm for several years, he founded the ASLON Group in 2001. His first and most important initiative was the creation of his advisory board, Tim says.

“Starting my own advisory board is probably the single most important thing I’ve done to contribute to the success of ASLON. My board has been an impartial sounding board for me. They’ve brought outside expertise and perspective that has been incredibly insightful,” he says. “It’s proven to be tremendously helpful to have these executives looking at my issues and my challenges, adding their wisdom and experiences to my business.”

Tim suggests an advisory board be comprised of a small group of business leaders from different professions who share in the goals, values, and vision of the company. A board can even serve to promote those values back to its leaders by holding them accountable. Tim refers to his board as “advisors with a backbone” because of their strength and expectations.

“Nobody else asks me the tough questions forcing me to reflect on my business. And no one requires accountability to our goals and vision like our board does – not even our clients.”

ASLON Advisory Board Mission Statement: *Provide ASLON with access to a group of mentors, advisors, door-openers and critical thinkers, who share our passion for honoring God, while developing a sustainable search firm that delivers leaders of character and value.*

No one makes it alone.

In his book, “*Outliers*,” Malcolm Gladwell tells the strange story of Christopher Langan, a genius with a staggering IQ of 195. (For some perspective, Einstein’s IQ was 150.) During high school, Langan could ace any foreign language test by skimming the textbook two to three minutes before the exam. He got a perfect score on his SAT, even though at one point he fell asleep. But Langan failed to use his exceptional gifts and ended up working on a horse farm in rural Missouri. According to Gladwell, Langan never had a community to help him capitalize on his gifts. Gladwell summarizes with this: “[Langan] had to make his way alone, and no one—not rock stars, not professional athletes, not software billionaires, and not even geniuses – ever makes it alone.”

INTEGRITY (Continued from page 1)

- Keep your word.
- Follow through with full commitment.

SPEAK THE TRUTH.

- Be direct.
- Don’t marginalize, exaggerate or manipulate the truth. At ASLON, we encourage our clients and our candidates to speak truthfully in their communications, such as complete disclosure on a resume. We’re not legalistic, but we want to model and encourage speaking the truth.
- Let your “yes” be “yes” and your “no” be “no.”

YOU MESS UP, YOU FESS UP.

This speaks more to humility, but humility affects integrity. Humility is not often talked about, but leaders aspiring to become great leaders of integrity need to be humble and submit to authority. We all have a boss, after all.

In his book, “*Good to Great*,” Jim Collins describes the “window and mirror” philosophy, which we’ve adopted as one of our ASLON FIVE qualities to look for in finding world-class leaders. When something goes right, good leaders look out the window and give credit and praise to others in the organization. When something goes wrong, they accept responsibility, and look in the mirror to discover and learn from their own mistakes.

CONSISTENCY PRODUCES CHARACTER.

- Live and work in a way that is consistent with your beliefs.
- Be the same person in all circumstances.
- Being consistent will build a culture of trust in your organization.

To conclude, these principles are only valid if practiced, but when implemented consistently, leaders develop greater integrity, greater character, and greater effectiveness. 🍷



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“The greatest leader is not necessarily the one who does the greatest things. He is the one that gets the people to do the greatest things.”
 ~ Ronald Reagan

What Does a CEO REALLY Do?

The following are excerpts from the JumpStart: IdeaExchange Blog posted by Robert Hatta, Vice President of Entrepreneurial Talent for JumpStart Ventures. He has worked at several startup companies in Northeast Ohio and Silicon Valley, as well as other high growth, technology companies across the U.S. and Europe.

This is his second commentary on the role of the CEO, defined by this quote:


“A CEO does only three things. Sets the overall vision and strategy of the company and communicates it to all stakeholders. Recruits, hires, and retains the very best talent for the company. Makes sure there is always enough cash in the bank.”
 – Fred Wilson of Union Square Ventures

In this blog, Mr. Hatta addresses the second of Wilson’s three things a CEO must do – recruit, hire and retain the very best talent for the company. While he focuses on the “blocking and tackling” a CEO does for a startup, his insights are applicable to all size businesses.



As evidenced by the many open positions and **recent hires** made at JumpStart Ventures portfolio companies, many of our CEOs are doing just that {recruiting and retaining top talent}. However, at the early stages of a startup’s life, when the CEO and/or founding team must do everything, bringing in top-quality talent is something that is often neglected on favor of perceived nearer-term priorities. CEOs often think that they’ve got it covered already. In cases where they know that they have skills or knowledge gaps, they don’t have the sort of coin it takes to bring in top talent – an understandable dilemma. Even if this is true and your current team can move you forward successfully, the challenges that your business will face as it grows will only get more complex and require new skills sets.

To address the concern over the cost and resources required to attract top talent, hiring an all-star management team is not the only way to bring talent into your business. One of the things that distinguish our top-performing companies is that they have a great board of highly-skilled and engaged board members. Great CEOs surround themselves with great advisors, who often provide needed skills, experience and contacts that they themselves do not possess. Aside from equity (which is the typical compensation vehicle for startup board members), creating and managing an effective board costs the company very little, keeping precious cash in the business for other purposes.

In Summary: It is never too early for a CEO to prioritize talent for their business. In fact, the single biggest reason a once-destined-to-succeed startup slows down is that the CEO didn’t bring in (or keep) the right talent soon enough. 

VIEWPOINT (Continued from page 2)


- How does he maintain integrity and hold to his values?

The advisory board has been vital to his business in both up and down times.

ROLE OF THE CEO

Empower the people.

It’s about empowering your leaders, who in turn, empower their direct reports to give people an opportunity to make a difference. That’s really what everybody wants – to make an impact in their sphere; people want to have an influence. It’s also up to the CEO to:

- Cast the vision for the organization.
- Assess frequently where the company is in relation to the vision.
- Keep their leaders on track. 

Mission Statement

Our mission is to be the leading integrity-based retained search firm focused on identifying, assessing and delivering world class leaders.