



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

## INSIDE THIS ISSUE:

*Trust in the New Economy* 2

*Leveraging China and India* 2

*A Matter of Trust* 3

*Character + Competence = Trust* 4

*"I look for three things in hiring people. The first is personal integrity, the second is intelligence, and the third is a high energy level. But, if you don't have the first, the other two will kill you."*

—Warren Buffett, CEO, Berkshire Hathaway



## ASLON Five: Qualities of a Great Leader

*When we conduct a search, we finely tune our search strategy to line up with the organization's culture. We look for people who have the potential to assimilate easily and step into a higher role. We believe that attitude, self-motivation,*

*maturity, capacity to learn and behavior patterns are some of the attitudes to watch for when interviewing a candidate, not just their performance, knowledge, training or credentials. To recognize world class leaders who differentiate themselves clearly beyond the resume, we look for leaders with the following attributes:*

### 1. Bias toward action

Our leaders are "can do" individuals who see a need, develop a plan, and work the plan to completion. They may be considered intense or passionate about their work but they also make time to spend with their families, thereby creating a balance in their lives that they promote in their teams.

### 2. Submit to authority

No matter what level you are in an organization there will always be someone in higher authority than you, even if it is a share holder. Great leaders must be able to submit to authority when an idea or decision is not embraced and then accept the decision wholeheartedly for the good of the organization. This approach produces healthy organizations that can weather a storm such as an economic downturn or the threat of competition by creating a workforce of loyal employees. Organizations that take a genuine interest in their employees' well being will have staff members who stand by the company in rough times and, although decisions may be tough, will understand the long-term vision and strive to accomplish the results needed to turn them around.

### 3. Window and Mirror

Great leaders look in the "mirror" when things go wrong. They take the blame, research the problem, learn from mistakes and move on. They don't lay blame or point fingers. On the reverse, when things go well they look outside the "window" to give praise to others and share the glory with the team/organization. They are highly respected individuals who may not be in the spotlight but, when looking over their shoulder, know they are in the lead.

### 4. Sacrifice to a Grand Vision

A great leader surrounds himself with great people and has a vision of where the organization should be and how it can get there. Communication skills and passion must be present to advance this vision. And nothing is more influential than a leader who is committed to make this vision happen.

### 5. Consistency of Character

A key leadership competency of the new global economy is "trust." A great leader's competence naturally earns trust, however, consistent integrity with pure motives develops character that people are inspired by. Nothing has more influence than a relationship of trust and that only happens through consistency of character.

## Global Trust in the New Economy

A Book Review by Tim Smith

In Stephen M.R. Covey's book, "The Speed of Trust," he speaks about the impact of trust on society in general, going beyond business relationships and relationships within organizations. It is hard to even imagine a world without trust as Thomas Friedman contends in "The World is Flat." Trust is essential to a flat or open society, and the principle aim of terrorists is to destroy that trust. It is to make us fearful of doing the things we do every day. While a flat, open, global economy thrives on behavior such as talking straight, creating transparency, righting wrongs, practicing accountability, keeping commitments, and extending trust, a closed terroristic society thrives on counterfeits and opposites, on deception, hidden agendas, justifying wrongs, disregarding commitments, blaming others and trusting no one except those in their elite inner circle. Even then trust is fragile and is subject to the whims of those in charge. That is why our opportunity to build a high trust society is so meaningful. There is nothing we could do that would so dramatically impact not only speed and cost, but also quality of life for everyone on the planet.



Trust has seemed to become low everywhere, but in the midst of this, there has been a backlash response in creating a virtual global renaissance of trust. More and more people are coming to recognize the cost of low trust and are making efforts to establish and restore trust. As trust has begun to disappear, we're finally recognizing how vital it is to our survival. As we examine our own effectiveness, Covey affirms that in our "flat world" economy, the ability to establish, grow, extend and restore trust is the key professional and personal competency of our time. The number one job of any leader is to inspire trust. Leaders that are ineffective are often called micro-managers because it obviously takes away from trust. Covey mentions the Catholic bishop in Victor Hugo's *Les Misérables*, who not only forgave the thief, Jean Valjean, but affirmed his worth and extended trust to him, forever altering his life. There is no getting around the fact that in today's flat, global economy, trust is essential. The speed of trust truly is the one thing that changes everything.

### Leveraging China and India

There are three primary dimensions along which China and India are becoming central to global competitive advantage for a rapidly growing number of companies across a wide range of industries: cost arbitrage, talent arbitrage and innovation.

The potential for cost efficiencies, talent and innovation that China and India offer, however, is not the same thing as reality. These two societies are far from the developed world on multiple dimensions: physical distance, time, income levels, culture, language and, in the case of China, political system. Thus, Western managers often have a limited understanding of and insights into what makes people, organizations and governments in these countries tick. If a company is relatively new to the globalization of its value chain, limited experience at managing dispersed operation can further compound the likelihood of costly mistakes. Some of the most common mistakes include:

- ◆ Giving primacy to costs rather than the quality and responsiveness of the China- and/or India-based activities. Cost savings rarely make up for poor quality and lost customers.
- ◆ Focusing on labor cost differences instead of the impact on total costs, including the logistics costs resulting from an extended supply chain and the costs of ongoing coordination.
- ◆ Deciding to set up one's own operation in China and/or India when outsourcing to an established and much larger local provider could ensure faster ramp-up, better talent management, better quality output and lower costs.
- ◆ Conversely to the above, outsourcing to a local provider when setting up one's own operations would be better (Such as when the activity to be located in China and/or India is very complex, uses proprietary knowledge and requires ongoing collaboration around non-routine tasks).

Continued on Page 4

*"As you go to work, your top responsibility should be to build trust."*

*—Robert Eckert, CEO, Mattel*

## A Matter of Trust

*Lee C. Howley is a native Clevelander who has been a principal in the successful development of numerous businesses including telecommunication companies, a real estate development company and Panera Bread Bakery-Cafés on the East Coast.*

*Lee has also served on the Board of Directors for several private and publicly traded companies and continues to be involved with many today. ASLON has had the opportunity to work with Lee on four searches at four different organizations. Three were organizations where he served on the Board and one was for his own company, the Howley Bread Group, which develops and operates Panera Bread Cafés and employs over a thousand associates.*

*The Chronicle spoke with Lee to gain his insight on the importance of trust in business relationships.*

**Chronicle: What gave you the confidence to choose ASLON to complete these search assignments, where each project was so unique from the other?**

*LH: With each search project I worked on with ASLON, they went beyond the specifications of the job requirements and looked to the character of the person and whether they were a fit for the organization I represented. The end result in each case was extremely successful for both the new leader and the hiring organization. When I enter into a business relationship, whether hiring a professional service firm or a leader for an organization, my goal and experience is always for it to be long term. The most important ingredient to a long term relationship is trust, mutual trust. I want the leaders we hire in our organizations to fit the standards and character that exist. That is how mutual trust is achieved.*

**Chronicle: Why is trust so important when working with a retained search firm?**

*LH: ASLON's philosophy is based on strong principles and they execute on these principles every time. They've found good leaders, solid leaders for the companies I represent. ASLON has a record of drilling down into candidates' specific talents, strengths, and character, which has increased the likelihood of long term success for everyone.*

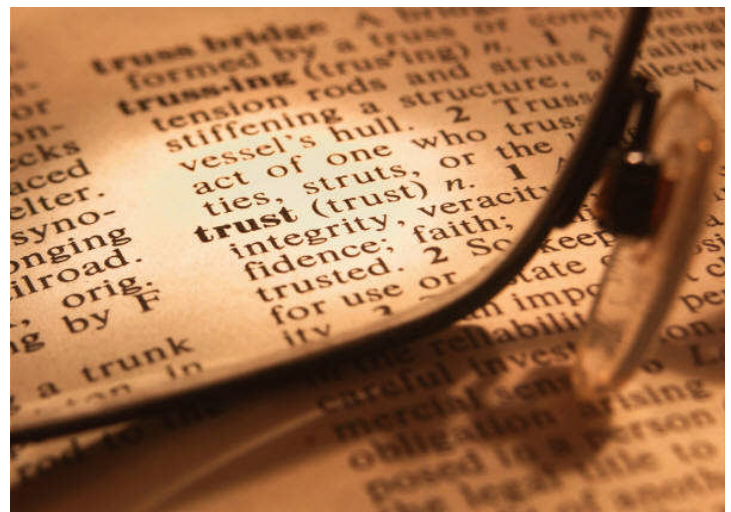
From the four projects Lee has worked with ASLON, he has learned first hand about their culture, and it aligns well with the culture of the organizations he represents.

*LH: Trust must be mutual from the top down. An environment that places an emphasis on trust is an efficient one because everyone can make better use of their time. When people have to worry about issues that are not germane to the business, then their jobs all become more difficult.*

**Chronicle: Our search process can be summarized into three different aspects, Leadership Identification, Assessment and Delivery. Tell me how trust factors into these components.**

*LH: From my perspective, ASLON and Tim would not provide candidates who meet just the basic requirements of the job description. They identify true leaders who have something more than just the skills needed to get the job done. This means that even though it would be more profitable for ASLON to move quickly, they take the time to assess carefully and get to know and understand a candidate. They don't take shortcuts when starting the search either – they listen to their client to fully understand the big picture. I can also trust that ASLON has done their job so that when an offer is made, a candidate will most likely accept, and then start their new job as soon as feasible. I guess you call this leadership delivery, and it adds tremendous value to the process.*

So, mutual trust is vital to the hiring of professional service consultants, who can deliver not just leaders, but leaders of mutual trust.





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*“People with humility  
don’t think less of them-  
selves; they just think of  
themselves less.”*  
—Ken Blanchard

### Mission Statement

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

### Leveraging, from Page 2

- ◆ Failing to build visibility into and monitor the extended supply chain to ensure quality and safety of products as well as protection of the company’s intellectual property. Far too many companies do not take preventive measures that are entirely feasible. Indulging in after-the-fact finger-pointing at sub-sub-suppliers in China for quality or safety mishaps does little to protect either the company’s reputation or its economic health.
- ◆ Not investing in systems processes and interpersonal connections critical to frictionless coordination between complementary activities that are dispersed across different countries and locations.
- ◆ Last, but not least, failing to give visibility, recognition and power to China- and India-based staff commensurate with the critical nature of the work they perform. In one Silicon Valley-headquartered company, 80 percent of the R&D staff was based in India and doing the core work for the company’s next-generation product. Yet, the head of the R&D unit in India reported to a US-based VP of R&D. The India-based R&D leader felt that he, rather than his boss, should be the one sitting at the head table.

Assuming that managers are aware of the possible challenges, some of these mistakes can be avoided.

For more of this article, visit [www.chiefexecutive.net](http://www.chiefexecutive.net).

## Character + Competence = Trust

by Tim Smith

Trust is a function of two things: character and competence. Character includes your integrity, your motive, your intent with people. Competence includes your capabilities, your skills, your results, your track record and both are vital. With the increasing focus on ethics in our society, the character side of trust is fast becoming the price of entry in the new global economy. A net result will be to establish and sustain long term relationships of trust, and our businesses will demonstrate that these will be the key to profitable growth. Integrity and humility tie closely to establishing trust. Level 5 leadership that Jim Collins characterized in his book “Good to Great” was an interesting exposé on the most effective leaders. He found Level 5 leaders to be those that are a “paradoxical blend of personal humility and professional will.” They are more “like Lincoln and Socrates than Patton or Caesar.”

It is also important to establish trust and get results; without competency in results, credibility and trust will never be there. The GE approach, which illustrates the dynamic between getting results and living the values of the organization, recognizes four possibilities. They say it is fairly easy to know what to do with the first category of people who both deliver results and live the values. They should be retained and promoted. It is also fairly easy to know what to do with the second category of people who neither deliver results nor live the values. They should be let go. The other two categories are tougher to deal with. Those who live the values but achieve low results can often be trained, coached or moved to another role. If they don’t improve they may need to be let go. The hardest of all to deal with are those who have high results but are poor in living the values. They achieve the end that everybody wants but they do it in a way that blatantly defies the organizational values according to GE, and people in this category need to learn to operate within the company’s values or be let go despite their results. To keep them on as they are is not only unsustainable, it is damaging to the organization and destroys credibility and trust. Even top results will not offset a lack of integrity.