



ASLON CHRONICLE

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

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**"The first thing for any leader is to inspire trust."
Doug Conant, Campbell Soup CEO**

THE BUSINESS CASE FOR TRUST

A recent article by Stephen M.R. Covey in the Chief Executive Magazine refers to research that shows only 51% of employees trust senior management and only 28% believe CEOs are a credible source of information. Does this effect the bottom line? The article goes on to quote a 2002 study by Watson Wyatt of 12,750 workers across all industries that showed high-trust organizations had a total return to shareholders that was 286% higher than low-trust organizations.

The Sarbanes-Oxley act has helped maintain trust in public markets, but the amount of time it takes and costs incurred to comply with its regulations has exceeded the original SEC estimate by 28 times. It clearly demonstrates the relationship between low trust, low speed and high cost. On the other hand, Warren Buffett acquired McLane Distribution from Wal-Mart in one two-hour meeting and a handshake. That is because they both had a reputation of trust and they did not have to waste time and money on due diligence.

Cost of Low Trust

Opposites of trust are manifested in the corporate world through extra expenses that could be termed "low-trust organizational tax" as witnessed in the following:

Redundancy	Excessive organizational hierarchy designed to ensure control.
Bureaucracy	Complex and cumbersome rules, regulations, policies, procedures and processes.
Politics	Divide a culture against itself, generating behaviors such as withholding information, infighting, operating with hidden agendas, etc.
Disengagement	When people feel they are not trusted they sometimes react by putting in enough effort to avoid getting fired but don't contribute their talent, creativity, energy or passion. Gallups' research puts a price tag of \$250B to \$300B a year on the cost of disengagement.
Turnover	In low-trust companies turnover is particularly high and it affects the people you least want to lose who would rather find employment at companies where they are trusted.
Churn	Turnover among customers, suppliers, distributors and investors who witness the low-trust interactions within the company.
Fraud	Dishonesty, sabotage, obstruction, deception – a 2004 study estimated the average US company lost 6% of its annual revenue to some sort of fraudulent activity.

Dividends of High Trust in an organization include:

- Increased Value
- Accelerated Growth
- Enhanced Innovation
- Improved Collaboration
- Stronger Partnering

The role of a CEO in regards to trust has three steps:

- Be an advocate of trust instead of an obstacle
- Personally model trust through character, competence and demonstrated behavior
- Inspire trust

WHAT'S BENEFICIAL ABOUT SERVING ON A BOARD?

Serving on a board can be personally and professionally beneficial. For one, you expand your business network by getting to know your fellow board members who can give you fresh ideas. Two, they can help you develop new contacts, which can turn into more business. Three, you'll learn a lot about business strategy by solving someone else's problems.

How can I get on a board?

Deborah Wallace, a board of directors consultant in Boston, says knowing someone who knows someone is "sadly, still the way people get on boards." But there are ways to get noticed. Here's what Ms. Wallace and others say you should do:

1. Start small.

If you don't have any leadership experience (aside from running your own company) you won't get asked to join a board. So get some by volunteering to be on a committee of a local organization like your church, the chamber of commerce or a small charity, and work your way up to becoming a board member. "I don't know of a non-profit that wouldn't love to have someone who could bring value," says Sarah Beyne, owner of AlphaMed, which develops and sells software for the health care industry. She was a member of the North Suburban YMCA board and her neighborhood school board.

2. Be visible.

Nancy Sharp, CEO of Food for Thought, says she landed every one of her board positions by being an "extensive networker."

3. Have something unique to offer.

To sit on a board you must have something to offer, whether that's expertise in an industry or having good people skills. Ms. Beyne was approached by a group of residents to run for the school board because they thought her expertise in starting businesses — getting funding, hiring employees, finding clients — would benefit the board.

4. Know what you're getting into.

Serving on a board sounds like fun, but it can be a big time commitment. While running her \$25-million company, Ms. Sharp spends between 16 to 48 hours a month serving on four boards. "It's not just about showing up for the meetings. It's about being engaged in every aspect of the organization, including advocating at all times," she says.

5. Make sure you're there to help.

New business contacts are great, but don't join a board just to expand your Rolodex. B-to-B dialogue is a byproduct of sitting on a board, but it should never be your primary objective. Your insincerity will be detected quickly if you're only there to drum up business for your own company.

Christina Galoozis ©2007 by Crain Communications Inc.

METTLER TOLEDO HIRES NEW GENERAL MANAGER

We are pleased to announce the completion of a General Manager, Retail Business search for Mettler Toledo, a company that specializes in the area of precision instruments for professional use.

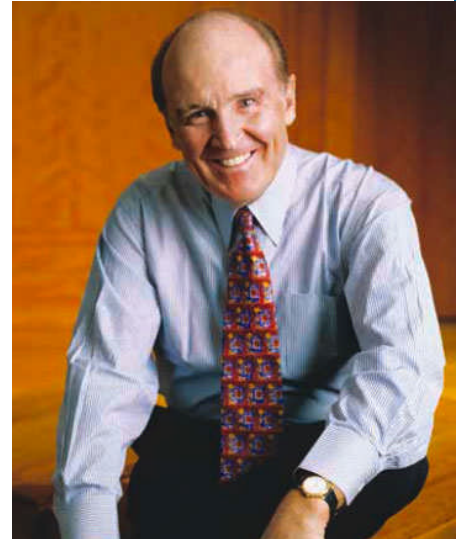
Through our proprietary process of identification, assessment and delivery we were able to identify **Greg Sears** as their General Manager for the Retail Business Area. Greg was most recently the Director of Marketing, Fuel Management Services at Gilbarco Veeder-Root Inc. Before that he was the Services Marketing Manager at the Veeder-Root Company and prior to that he was the Product Manager, New Business Ventures at Roadway Express. In his new position, Greg will lead, direct, guide, and oversee Marketing, Sales and Service operations for the Retail Business Area.



JACK WELCH SAYS ON HIRING WRONG—AND RIGHT....

The three main impulses that most often get managers into trouble:

- Fight going with your gut feeling and falling for the shiny new candidate who is on his best behavior, telling you exactly what you want to hear. Never hire alone! Have a team coolly analyze the candidate's credentials and conduct the interviews. Make sure the team includes at least one real hard-nose – the kind of naysayer who is particularly good at sussing out the job fit and sniffing out the phonies.
- Fight the “recommendation reflex”. Instead seek out your own references to call, not just the ones provided by the candidate and force yourself to listen to what they have to tell you, even if it ruins the pretty picture you are painting in your head.
- Fight the impulse to do all the talking. Instead ask candidates about their last job and then listen for a good, long while. As they describe what they liked and what they didn't, you will likely hear much of what you really need to know about the fit.



by Jack Welch – Business Week

SHARING LANGUAGE RESOURCES IN A FLAT WORLD

Herman Trend Alert: Sharing Language Resources in a Flat World September 19, 2007

One interesting development of our increasingly flat world is the global expansion of business. We learned long ago the value of using the local language when speaking or training in a foreign country. Even the attempt to speak the local language (except perhaps in France) establishes an audience connection which, particularly for a speaker, is very valuable.

While not everyone is a polyglot, anyone visiting a foreign country will benefit from learning the language before departing. Until now, your choices for learning were Rosetta Stone or other digitally based programs or finding a local tutor. Now, there is an alternative, and the best part is---it's free.

Enter emerging web sites like <http://www.italki.com> and <http://www.freelanguage.org>. The reason is simple: as globalization spreads, so does the need to communicate with people in their native languages. Though both sites offer rich resources for anyone wanting to learn a language, italki.com features the more innovative approach.

Here's how their "Language Exchange" works. Through the web site, you choose someone who is a native speaker of the language you want to learn. Of course, that individual must also want to learn the language that is your native tongue. You communicate via VOIP (Voice Over IP) on Skype, MSN, Yahoo, or Talkbox---all free services via the web. You agree to communicate at a specific time. For one-half the time, the two of you speak in your native language and the other half, you speak in theirs.

Not surprisingly, both web sites offer lots of resources for people willing to pay. Italki.com offers lists of tutors and seems to offer more languages for which there are resources. Both web sites offer courses, podcasts, blogs, etc.

The development of this new genre of web sites is a direct reflection of our "flattening" world. Expect to see more opportunities for people to use technology to share across the globe further increasing cultural understanding and forming valuable bonds for citizen diplomacy.

In the end, we will remember not the words of our enemies, but the silence of our friends.

-Martin Luther King, Jr.



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CORPORATE CULTURE

In a recent article in "Recruiting Trends" Joanna Rothman talks about the 2008 presidential candidates and how "they are interviewing for the job longer than the apprentices on the TV show." She mentioned that recent polling results indicated the top few qualifications for the Presidential candidate included experience, competence, values, and character followed by warmth, compassion, personality, and style.

She suggests using the lesson of politics to clarify what's important when evaluating candidates for an open position in your organization. The organization's culture will determine what is important for any candidate. She defines culture as a combination of:

- How people treat each other
- What's acceptable to discuss
- What the organization rewards

Evaluating your own corporate culture will help you identify the important qualities required in each candidate. Each manager also puts their own stamp on the corporate culture.

So think about what your job descriptions and interviewing approaches say about your culture and look for those qualities in the people you interview.

CHAMPION LABS HIRES NEW VP MARKETING & BD

We are pleased to announce the completion of the Vice President Marketing and Business Development search for Champion Laboratories, a company that is a major supplier of automotive filters and PCV valves for OEMs and the aftermarket.

Based on a referral from a successful relationship with a past client, Champion contacted us to help them secure a marketing executive who would provide strategic direction for the company by creating a strong market presence through both short and long range plans and programs. A person to create a well-designed marketing engine for an established company who was in need of marketing disciplines and had primarily operated as a private label manufacturer.

We were able to assist Champion in hiring **Matt Rechin** who has accepted the position as Vice President Marketing and Business Development and is reporting to the President. Matt has responsibility for the overall marketing function and will devise a plan for significant growth based on their vision of expansion. Matt came from MTD Products, Inc., where he served as their Vice President, Brand Management. Prior to MTD, he was Director of Marketing for the Flood Company and also held the same position at Sherwin Williams Company after he was initially trained at Procter & Gamble. Matt received his MBA from Case Western Reserve University and his BS in Business Administration from Miami University.

Mission Statement

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

