



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

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In the face of a potentially severe and prolonged recession, our philosophy is to continue hiring and retaining the best talent we can to outperform our competitors.

Joe Wright, CEO
Master Chemical

Executive Hiring in a Down Economy

by Tim Smith

The best are harder to come by

I frequently hear, "There certainly must be plenty of good candidates in the marketplace today." Well, we are definitely once again in an employer's or buyer's market. And unemployment is at an all-time national high, but that does not mean that the most attractive candidates are any more available. In fact, the opposite is true. The best are being retained more fiercely as their internal value has increased dramatically. Because search firms typically target and engage passive candidates as well as the visible marketplace, a larger pool of talent is considered, leading to better results.

Searches take longer in down economies

During financially difficult times, replacement positions at the executive level become even more mission critical. Owners, boards and senior leadership expect an exhaustive search to be completed to identify the single-best candidate, so companies are spending more time on the interview process. Therefore search projects tend to be more crucial and grow longer during recessionary times.

Short cuts are more costly in the long run

In this tight economy, people believe they can save money by experimenting with their own personal network of referrals and contingency firms until they realize that delay is costly. Retained search cannot be a backup strategy if there is a true "leadership void," and the sustainability of the company relies on the acquisition of a world-class candidate. Many articles have been written on the cost of hiring the wrong executive and there is no short cut when pursuing top candidates for key positions.

Don't let the good ones get away!

To illustrate the value of retained search firms, please take note of two of our recent contracted engagements. Client "A" called us after making two unsuccessful offers in the open market for a senior financial leadership position. One candidate, who was unemployed, accepted another offer that was more attractive. The other candidate was insulted by the offer and stayed at his current job. Similarly, after failed attempts, Client "B" called us three weeks before their CFO was leaving, which — given the short timeline — required an interim leader, which was costly but necessary. Both clients had fully exhausted their personal networking with no success, and as a result, were literally exhausted from the effort.

Recognizing Leadership... More Critical Than Ever

ASLON Group founder and Managing Director Timothy Smith has been a student of leadership qualities for 25 years. ASLON's mission statement after all, is "to identify, assess and deliver world-class leaders." This year, Tim has gained even greater insights into leadership through his participation in the Lifework Leadership educational program at Sandberg Leadership Center at Ashland University. The curriculum of the nine-month course serves to challenge participants in both identifying and following leadership models that possess moral, spiritual and intellectual strength. Lifework Leadership, which was founded in Orlando, FL in 1992, has grown from 150 to more than 1,000 "graduating leaders" and is now offered in eight cities. Below are excerpts of the Chronicle's interview with Tim about his experience.

Chronicle: How have you been able to apply the principles you've learned at Lifework Leadership to your work and to your clients?

TS: I recognize leadership now even more clearly, which helps me be a better consultant. When I discuss candidates with clients, I explain why or why not the individual displays appropriate leadership characteristics. For example, we studied the importance of humility in leadership. Humility is sometimes misunderstood. It actually means not over or under-valuing yourself. People who properly assess themselves are often powerful leaders. They're comfortable in their own skin. Leaders must also be able to submit to authority. They're often viewed to be at the top, but ultimately they report to the board of directors and must be accountable to shareholders. Jim Collins, in his book "Good to Great," refers to great leaders as those who, "Have a ferocious will and a great deal of humility."

Chronicle: Can you pinpoint one or two lessons that had the most impact on you?

TS: I'm an even bigger fan of listening and trust as leadership qualities — and I didn't think that was possible. I cannot emphasize enough the importance of a leader being a great listener. People get so focused on saying what they want to say in order to put forward their own agenda. But it's amazing how much more effective it can be for leaders to listen. You can't really lead until you learn how to follow. And you can't follow until you know how to listen.

We're committed to equipping leaders because we believe the quality of leadership in an organization makes the difference between success and failure.

*— From Lifework Leadership's
Vision Statement*

In our time, in our economy, people are hungry for trusted leadership. We saw this after Enron. I think we're seeing it even more today. Often times in successful companies, there will be three key senior people who really drive the business. The reason this is so effective is because they trust one another and are accountable to each other.

Chronicle: Lifework Leadership is designed to transform its participants. Has it changed the way you go about your professional or personal life?

TS: Yes, both. It has encouraged me to use my leadership skills in every part of my life. The lessons I've learned over the last several months have convicted me to take my skills to the street. For example, I recently accepted the invitation to serve on the board of a local college. Before taking this class, I might have declined. Secondly, although my family and I have been involved in community service, my business has not. I asked myself, why isn't ASLON reaching out too? So now we've begun to partner with E Prep (Entrepreneurship Preparatory School) charter schools to help break the cycle of poverty through education.

In our time, in our economy, people are hungry for trusted leadership.

Best Companies for Leaders

The 2008 Top 20 Best Companies for Leaders

1. 3M (15)
2. Procter and Gamble (2)
3. General Electric (1)
4. Coca-Cola (5)
5. HSBC Holdings (14)
6. ABB
7. Southwest Airlines
8. IBM
9. Hewlett-Packard (10)
10. PepsiCo (7)
11. Nokia
12. Accenture
13. FedEx
14. Infosys Technologies
15. McDonald's (18)
16. Caterpillar
17. American Express
18. Cisco Systems
19. Oracle
20. Intel

Chief Executive magazine, in partnership with The Hay Group, has completed its fourth annual study of companies that rank the highest in terms of leadership development, which can be considered the “cornerstone of superior competitiveness.” So many organizations seem to be focusing only on the bottom line, “forgetting that the only way to ensure continued profit is to develop people, particularly leaders at all levels.”

The top 20 companies were identified by the study and are listed at left. The number in parenthesis shows their 2007 rank.

3M's Success

It is significant to note that 3M jumped from 15th place in 2007 all the way to the top of the list in 2008. George Buckley, 3M's CEO, attributes part of their success to his belief in keeping people in their positions long enough for them to experience an economic cycle and see the impact of their decisions.

According to George Buckley, if you ask 40 people their opinion on leadership you'll get 60 different answers. He believes that it comes down to a few things. First, “the person must be ethical,” in order for others to follow them. Second, “courage is important. You need people who will take tough decisions — in good times as well as bad.” Leaders often must make quick decisions with little information and “paralysis by analysis doesn't work.” The third critical thing, according to Buckley, is the ability to focus. He quotes a line by the Apostle Paul. “How can we remain good Christians? Keep your eyes on the prize.” Good managers must keep their eyes on the prize.

Leadership Development as a Corporate Culture

Each of the top three companies has created cultures that make leadership development a priority. The CEO is directly involved throughout the process. GE has a powerful internal review and selection process for identifying potential leaders. 3M consistently helps leaders two to four levels below the CEO transition from job to job.

What Organizations Value in Leaders		Tactics Used to Attract Leaders	
What does your organization value most in its leaders?	Percent that value the characteristic most	Which of the following tactics are you using to attract and retain young leaders?	Mean
1. Strategic thinking	50%	1. Development Opportunities	70%
2. Execution	40%	2. Compensation	54%
3. Decision making	33%	3. Benefits	50%
4. Technical Competence/Expertise	33%	4. Flexible Work Hours	43%
5. Team work	30%	5. International Opportunities	40%
6. Inspiring leadership	26%	6. Tuition Reimbursement	38%
7. Influence	17%	7. Community/Volunteer Involvement	25%
8. Emotional intelligence	15%	8. Telecommuting	21%
9. Creativity	11%	9. Recreational Activities on Site	15%
10. Resilience	10%	10. Other	9%
11. Capacity to learn	9%	11. Space Design	7%
12. Other	5%	12. Concierge Services	3%



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I would rather fail in a cause that will ultimately triumph than to triumph in a cause that will ultimately fail.
 -Woodrow Wilson

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Authority vs. Responsibility

The problem of authority vs. responsibility is one of the continuing challenges of leadership development, according to J.P. Donlon in the Chief Executive article. "The biggest hurdle is influencing others over whom one has no formal control. This requires more than just strong interpersonal skills. It demands trust and emotional maturity, elements that can be nurtured but not taught." CEOs face this when they report to a board of directors with different agendas while maintaining the ability to lead.

For more on the "Best Companies for Leaders," see www.chiefexecutive.net.

Best Business Leaders

Participants of the Chief Executive and Hay Group study were asked who they felt was the best business leader of this generation and why. The most popular answers with typical comments are below.

Jack Welch - identified the best people and built state of the art learning centers to develop talent within the organization.

Bill Gates - succeeded in retaining highly qualified key persons in his organization and developed his organization as one of the most interesting places to work.

Richard Branson - inspired people to achieve greatness in spite of the odds.



Still Delivering Great Leaders

Even with the high rate of unemployment in the marketplace today, companies are still looking for great leaders to run their businesses, and are turning to ASLON to help. We most recently identified a CFO for the Howley Bread Group, a Panera Bread franchisee with cafes primarily on the East Coast.



Denny Abbuhl, who previously served as CFO for a Pizza Hut franchisee, was chosen after we conducted an exhaustive search of financial executives from many different industries. Denny will lead Howley's finance department, where he will direct and oversee all financial and information technology functions. The Howley team is excited to have Denny on board, with his positive energy, financial acumen and proven experience in the restaurant world.

Mission Statement

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