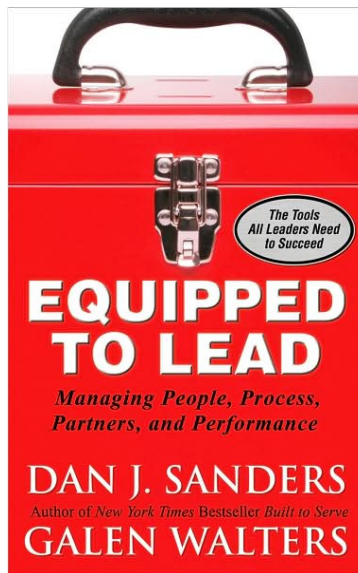


Equipped to Lead

Managing People, Process, Partners, and Performance



Written by: Dan J. Sanders
and Galen Walters
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About Dan and Galen:



Dan J. Sanders is CEO of United Supermarkets, the first supermarket chain to win the prestigious National Torch Award for Marketplace Ethics, and cofounder of The Center for Corporate Culture. Sanders is a former Air Force U-2 reconnaissance pilot and a highly decorated officer.



Galen Walters developed the 4P Management System and founded the Leadership LAB at Go Away Farm. He founded and is managing director at Go Think!, a marketing and business consulting firm. He served as CEO of adplex, a Houston advertising and marketing services firm, from 1981-2007.

<http://www.equippedtolead.com/theauthors.htm>

■ The Big Idea

Unless you manage a hook-and-ladder company, your workday shouldn't be spent putting out fires. Yet leaders often spend most of their time running from crisis to crisis.

In his groundbreaking New York Times bestseller *Built to Serve*, United Supermarkets CEO Dan Sanders showed how putting profits before people encourages organizational chaos, saps motivation, stifles innovation, and undercuts competitiveness. He also unveiled a revolutionary people-centered business model championed by United and challenged other business leaders to put the human factor first.

In this follow-up to that inspirational bestseller, Dan and coauthor Galen Walters provide the tools needed to put the people-first model to work in your company. You'll master the 4Ps critical to long-term success: People, Process, Partners, and Performance. And you will create an organization that puts front-line people before bottom-line profits, allowing you and your organization to profit more than you ever thought possible.

■ Why You Need This Book

This book will arm you with the tools and insight to help you reach new heights of achievement – financially, personally, and spiritually – by teaching you to place your people before your bottom line.

■ Introduction

Simply put, order will emerge when leaders subscribe to good values. Without values and adherence to natural laws and principles, order cannot serve as an organization's foundation.

Similarly, without adequate focus on four universal components that are common to all organizations, balance cannot take shape. These four components are collectively known as the 4Ps Management System:

- First, leaders must never neglect their employees – the talented **people** who represent the lifeblood of productivity and innovation within every sustainable organization.
- Second, leaders must devote adequate time to the **processes** by which work flows through the organization – the system of inputs and outputs that people use to drive productivity.
- Third, leaders must acknowledge they cannot survive without **partners** – both the people who supply the organization and the people who purchase goods and services from the organization.
- And, fourth, leaders must deliver superior **performance** – based on the realized potential of the organization, not the historical trend.

The 4Ps Management System begins and ends with human beings connected by processes.

■ People, Human Beings

The order of the 4 Ps is crucial. People come first for good reason: they are the single greatest asset in any organization. Ask any CEO of any company; staffing is the single biggest challenge to long-term success.

The people issue is enormous for all industries. Understanding the well-being of employee – physically, mentally, and spiritually – is essential to realizing the full potential of an organization.

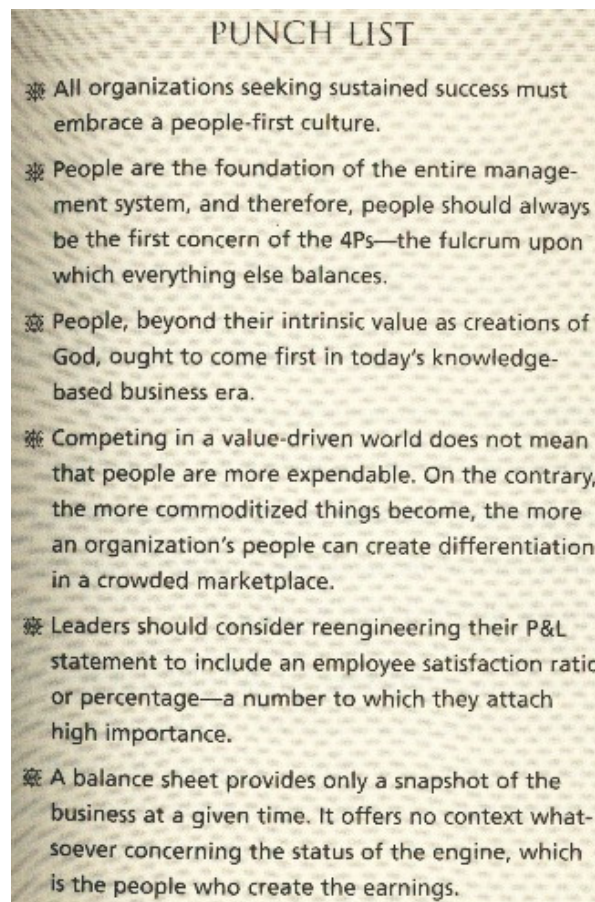
Consider this short list of tactical action steps, and then make deliberate efforts to implement them immediately:

1. Acknowledge that every employee is worthy of dignity and respect by everyone inside the organization – starting with you.

2. Embrace the concept that long-term superior performance cannot be achieved without a genuine commitment to the physical, mental, and spiritual well-being of every employee.
3. Never begin a staff meeting with a financial report. Instead, always ask each leader in the room about people first.
4. Schedule blocks of time during every week when you can leave your office and engage employees in their space.
5. Try beginning conversations with employees with a question regarding their personal interests rather than to a question regarding business.

Too many companies today fail to provide an understanding of the next opportunity. Employees deserve to know the treatment they can expect. Answering these questions publicly sets the rules of accountability internally for those who lead.

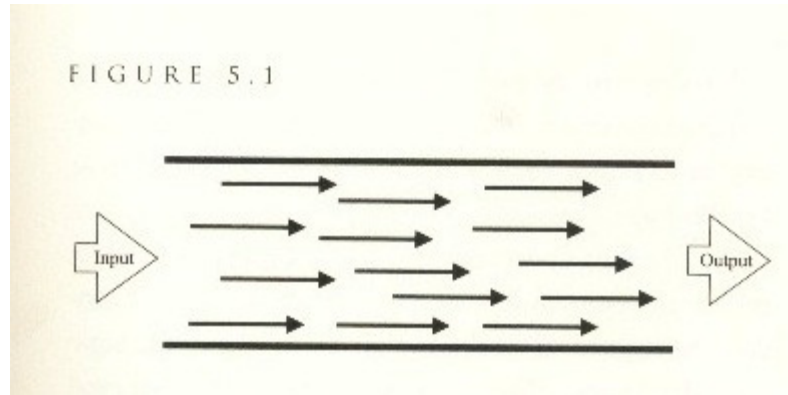
When people come first, the organization and its success follow naturally.



■ Process: Blocking and Tackling

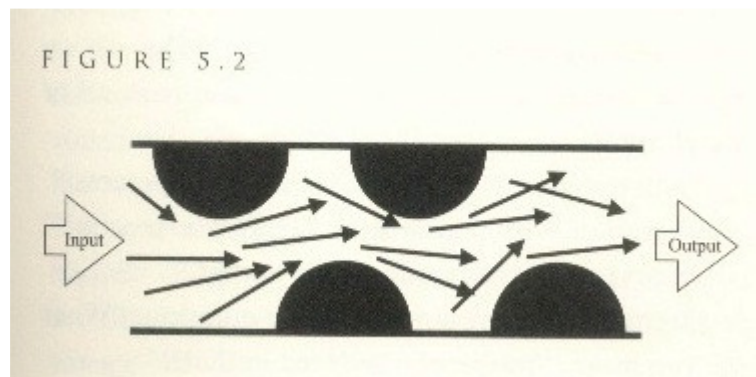
Everything that happens inside an organization is tied to a process. If we closely examine the architecture of every discipline within an organization, we discover a series of complex systems, some formal and some ad hoc, that upon deconstruction reflect an orderly subsystem of processes – a subsystem comprising inputs and outputs. Comprehending this concept helps us understand the important fundamentals of leading an organization.

As leaders, we must ensure that the fundamentals are being executed flawlessly. In fact, if we could design the perfect process diagram, it would look like this:



Projects, tasks, and initiatives would flow effortlessly from input to output with absolutely no obstructions or hindrances. The process would be perfect, inasmuch as it is the model of efficiency.

Of course, we know how difficult it is to attain perfection. We quite often discover that our processes are inefficient, plagued by a series of pinch points that reroute effort and impede progress. The following diagram more closely reflects what happens in most organizations.



Efficient, streamlined processes bring order and balance to chaos. Properly equipped leaders know just how true this is.

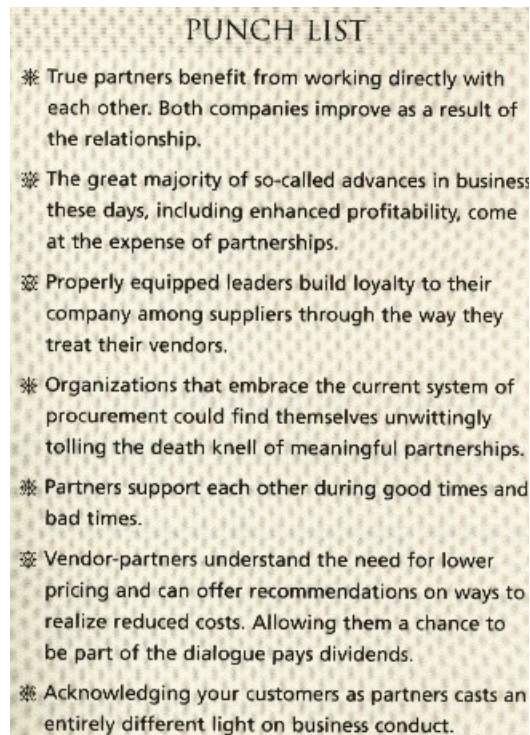
■ Partners: Human Beings, Too

No one understands the importance of customer-partners more than Jack Mitchell, author of the book "Hug Your Customers". Mitchell's business philosophy is rooted in one simple belief: a relationship exists behind every transaction.

Rather than surrender to the popular sentiment that over-the-top service is no longer profitable, Mitchell successfully connects with customers using the personal touch.

Consider a few practical trips taken from Mitchell's people-first practices:

- A firm handshake
- Sharing the latest joke
- Remembering the name of your customer's pet
- Sharing a cup of coffee
- Opening your business early or late
- A handwritten note
- Knowing your customer's golf handicap
- Letting your customer use your office to make a phone call



Acknowledging your customers as partners casts an entirely different light on business conduct. While it may be lost on many ill-equipped leaders today, the power of nice is every bit as effective in business as it is in church. In fact, it is expected in church, but not in the cold-hearted, cruel world of business.

The strength of the human spirit is what drives the relationship between organizations and their customer partners. This understanding resides in the heart and soul of every properly equipped leader. However, that is not enough. The leader must become a champion for customers as real people. Leaders must grant permission and empower employees to treat customers with the human spirit.

■ Performance (Yes, Profit)

Sustainability is the result of this equation:

$$\text{People} + \text{Process} + \text{Partners} + \text{Performance} = \text{Sustainability}$$

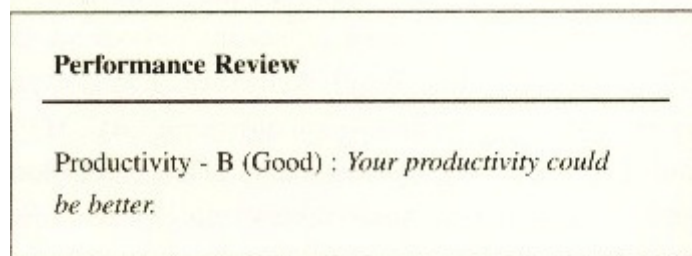
Failure to properly address any of these components ultimately results in performance failure. The purpose of the 4Ps is to bring order and balance to an organization. This system will allow an organization to replace its current profit-driven business model with a people-first business model leading to profitability.

Like coaches, business leaders constantly look for the little things that will move people one step closer to fulfilling their potential. The 4Ps promotes return on investment in humanity (ROIH). The business world promotes cash flow. Period.

For leaders who are intent on fostering a people-centered culture, the annual formal performance review ought to be used as an opportunity to develop talent. It is recommended that 80 percent of the time spent in formal performance reviews be devoted to talking about the future.

Unfortunately, performance reviews rarely provide insight leading to meaningful employee development. Shown below is an actual performance review that reflects the missed opportunities to provide an employee with practical feedback.

FIGURE 7.1



By contrast, the following figure reveals a more meaningful review – one that an employee can use to improve performance.

FIGURE 7.2

Performance Review

Productivity - B (Good) : Productivity exceeds standards; however, this area could be rated an A (Great) by increasing daily productivity from 8% last year to 10% this year. Consider creating cross-functional work teams capable of expediting projects when things get slow in a team's area. Additionally, review workflow processes to determine if technology enhancements (like digitizing content to create near real time access to files) is appropriate and feasible.

Remember, it is an equation: Sustainability is a reflection of the investment we make in time and money directed toward people, processes, partners, and performance. That is why ROIH easily supersedes ROI. Superior performance is more of a journey than a destination.

Sustained performance can only be realized by investing in people, processes, and partners.

■ Failure is Not an Option

We have the power to change, but we need the courage and discipline to begin immediately. So, how do we begin? What exactly should we do? Here are some steps that every organizational leader should commit to without delay:

1. Place people first in every business decision we make.
2. Develop a coalition of passionate business leaders to reform the local school system.
3. Join the Coalition to Advance Healthcare Reform (CAHR).
4. Vote. Encourage others to register and do the same.
5. Give back. Encourage everyone to be active in charitable work.
6. Take care of the elderly, beginning with our own families.
7. Support the military and provide employment for service members leaving active duty.

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8. Implement the 4P Management System. Never hold another meeting without discussing people, process, partners, and performance – in precisely that order. Make money, but do it ethically.

It is possible for properly equipped leaders to change everything and make it better than it was before. We have the power. Let the work begin.

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