Driven by LEADERSHIP

IN THIS ISSUE

04 Looking for Leadership in All the Wrong Places
14 How to Increase Accountability in Any Organization
15 Who is the Captain of Your Ship?
18 The Starfish and the Spider: Leaderless Organizations

The Entrepreneurs’ Organization Magazine
TRUST AND RESPECT

In business, as in life, integrity is everything. Within our organization, integrity goes deeper than just the game rules; it is our code of conduct. Confidence, respect and inclusiveness are imperatives. Non-judgment and non-solicitation are non-negotiable.

IN THIS ISSUE

EO Turns 20!

In fiscal year 2007/2008, EO marks two decades of engaging leading entrepreneurs to learn and grow. In celebration of EO’s 20th anniversary year, this special feature examines the past, present and future of the organization.

Leading Leaders

MARK LINCOLN, MANAGING DIRECTOR

“In my 14 years as an EO member leader, first at a chapter level and then at a Global level, I have learned many lessons about leading entrepreneurs and EO.”

To the Brink and Back: Looking for Leadership in All the Wrong Places

DALLAS ISKLEY, EO DC

“As time progressed, I decided that I wanted someone a little older, with more business experience, to come and help guide us. I just couldn’t shake the feeling that someone else knew more and could do it better.”

Staying in Touch as You Grow, or, How NOT to Get Lonely at the Top

KARLA DIEHL, EO NASHVILLE

“Once your company has more than 30 people, it’s hard to really know what’s happening with your customers, suppliers and employees. I’ve found two easy tasks that keep me plugged into what’s going on.”

Listen to Your Staff! It’ll Make Your Job Easier

MARK GRAHAM, EO TORONTO

“While I have made many mistakes in running this business, one of my biggest successes has been giving my staff members a say in the process so their sense of ownership increases.”

Think You Know Your Employees?

HEATHER HILLIARD, EO VANCOUVER

“The ultimate benefit of knowing your employees is an engaged workforce that is loyal, productive and made up of people who find their work personally meaningful and motivational.”

How to Increase Accountability in Any Organization

BOB PROSEN

“A leader’s job is to ensure every member of the team wins. One of the best ways I’ve found to help people win is to establish an accountability-based culture.”

Who Is The Captain of Your Ship?

TJ JORDAN, M.D., AND ANNE JORDAN

“One of the toughest challenges powerful leaders face comes not in the workplace, but in their homes. How can they be a leader/authority figure as a parent without overpowering their kids?”

The Starfish and the Spider: The Era of Leaderless Organizations

ROD BECKSTRÖM

“When we look at the world, we naturally seek order. We look for hierarchy all around us. But what happens when there’s no one in charge? What happens when there’s no hierarchy?”

From an Entrepreneur to an Entrepreneur CEO

LEE FROSCHHEISER

“How to Make Your Job Easier

MARK LINCOLN, MANAGING DIRECTOR

“The important shift from Entrepreneur to Entrepreneur CEO.”

Do You Suffer from Htingitis?

SCOTT SMART AND TRACY STREET

“Successful entrepreneurs know that winning depends on execution. Successful execution depends on having ‘A Players’ on your management team.”

Ever heard the phrase ‘think outside the box’? You’re thinking inside the box. We’re thinking outside the box. Entrepreneurship is about thinking BIG. It’s about taking risks and doing new things. It’s about being innovative and creative. And it’s about doing it in a way that’s different from everyone else.

EO Global Board of Directors

Executive Team

EO Chairman

EO President

EO President-Elect

Executive Director

EO Service Offices

Washington, DC

Regional Support Services Offices

Panama City, Panama

Berlin, Germany

Viktoriaplatz, Berlin

Kuala Lumpur, Malaysia

Entrepreneurs’ Organization

Suite 500
500 Montgomery Street
Alexandria, VA
22314-1437 USA
info@eonetwork.org
www.eonetwork.org
T +1.703.519.6700
F +1.703.519.1864

EO Update

Quoted and Noted

Events Calendar

Fueling the entrepreneurial engine

Contact communications@eonetwork.org and tell us your story.
LEADERSHIP IS TRANSIENT. All leaders and their leadership some day. It is easy to forget that while in the middle of being a leader, Entrepreneurs in particular tend to see themselves as essential to their business and thus find it difficult to develop strong leaders underneath them or good succession plans. As Troy Hazard said at the recent Global Leadership Conference, “The job of being a leader is only done when your successor has taken over as the new leader.” From the day I started as Managing Director, my focus was to put my replacement in a position where he or she could take over with the smoothest possible transition and have the greatest chance to succeed.

I am very happy to announce that Bob Strade will take over for me as the Managing Director in the near future. Bob comes to us from the World Presidents’ Organization (WPO), where he has served as the President and Chief Executive Officer for the last nine years. We are very fortunate to have Bob join us with his wealth of understanding the culture of the “O” organizations. Our Board has a Strategic Plan and FY2008 Operating Plan that will give Bob clear direction about where to focus his energies in the months and years ahead. He will be a great leader of EO, and he steps into a strong, stable, focused organization of entrepreneurs.

This will be my last Octane article as Managing Director. Thanks to all for all of your support, help and encouragement, I have enjoyed leading, and being led by, great entrepreneurs.
TO THE BRINK AND BACK:
LOOKING FOR LEADERSHIP IN ALL THE WRONG PLACES

DALLAS OSKEY
EO DC

I started my business from scratch in 2001. I didn’t know what I was doing, I just knew that I could do it better than the people I was working for. There I was, a telecommunications specialist, thinking that owning a business would be a drop in the hat, an easy task. Boy, if someone had just warned me! Like a lot of us, I started my company with the money in my pocket and lots and lots of credit cards. I was what I like to think of as “just a kid,” ready to take on the world of business.

My wife, Tracey, and I started our company together. She’s a school teacher by trade, so the world of telecommunications was all new to her. She started learning telephones and accounting and I started selling. I had my eye on the pie in the sky. We were going to be rich!

As time progressed, I decided that I wanted someone older, with more business experience, to come and help guide us. I just couldn’t shake the feeling that someone else knew more and could do it better. I asked a good friend, someone I thought of as a father figure, someone I looked up to and respected, to come aboard. Pretty quickly, I realized I had made a mistake. He was treating our company like he owned it, not like he worked for us. He made many bad financial decisions, but since I thought of him as the older, wiser one, I trusted him without question. I started wondering whether ulterior motives were at play. Times were tough, and I was realizing that he didn’t know any more about business than I did. LESSON NUMBER ONE: I HAD TO TRUST MYSELF. Just because someone is older than you, or has more experience than you, doesn’t mean that they can run your business for you.

Before I knew it, I was on the hunt again, looking for a partner, someone to help guide and nurture our company. I found someone who has been in the industry and worked for one of the largest telecommunications companies in the area. I thought I had found my savior! Things started out strong, and we landed a few big deals. But lean times followed. After a few hard months, our new savior ran for the hills.

During this lean financial period, my wife became very sick. We didn’t know what was wrong. For months on end, our lives revolved around doctor visits, blood work, MRIs, X-rays. After three long months of unanswered questions, my wife was diagnosed with multiple sclerosis. She was in a lot of pain a lot of the time. It sounds like a cliché, but this health crisis forced us to put things into perspective. We were caught up in the everyday stuff of life, and we had forgotten what is truly important. LESSON NUMBER THREE: I HAD TO TAKE CARE OF MYSELF AND MAKE TIME FOR MY FAMILY AND FRIENDS. You might think that once your business is built, then you’ll be able to make time. Keep in mind that for some people, that is too late.

So here we were. My wife was sick. Our business was a mess. We were behind in our bills, considering bankruptcy, and of course the bank wanted nothing to do with us. Our employees were gone, including the two executives that I thought would lead us to glory. I felt like giving up, running away. I wondered, “Why me?” I wondered what we had done to deserve this. I wondered a lot of things.

I can’t gloss over all the hard work I took to finally see the light after getting to such a dark, dark place. Without the friends I have made in Forum and on my chapter board, I can promise you that I wouldn’t be here today to tell my story. My Forum members made me feel worthy of their support and encouragement, even when I felt worthless. My chapter members donated, with astounding generosity, the technical expertise I needed to get my business back on track. They introduced me and Tracey to people living, and living well, with multiple sclerosis. Most importantly, they shared their stories of hardship with us, assuring us that it is possible to make it...no matter how grim things look. Tracey and I were solely responsible for picking up the pieces, but we couldn’t have done it alone. LESSON NUMBER FOUR: I HAD TO GET OVER MY FEAR OF ASKING FOR HELP.

Today, my wife is pain-free and in remission. My business is finally profitable again, and I’m working hard to make sure things are different this time. I’m not going to fall into the trap of doing things the way I did them before, but expecting different results. How could I? The lessons I’ve learned along the way have changed me forever.

They say it takes a village to raise a child—well, sometimes it takes a village to lead a company, too. As we like to say in EO, an entrepreneur alone is an entrepreneur in trouble. No matter what the future brings, I know I won’t have to go it alone. LESSON NUMBER FIVE: NEVER GIVE UP.
STAYING IN TOUCH AS YOU GROW, OR, HOW NOT TO GET LONELY AT THE TOP

Once your company has more than 30 people, it’s hard to really know what’s happening with your customers, suppliers and employees. I’m responsible for the strategic direction of my company and the health of the corporate culture—so how can I possibly be an effective leader if I’m out of touch with the front lines? I’ve found that two easy tasks keep me plugged into what’s going on throughout the company and ultimately make my business stronger.

1. Answer the main phone lines during department meetings or when the receptionist is out. It keeps my finger on the pulse of my company. I learn a lot about people by how they talk to my receptionist. Suppliers and customers often don’t expect the president of a multi-million dollar company to answer the phones, so it can surprise them when I introduce myself—or if they have just been rude or demeaning to the “receptionist.” I also find it builds a lot of goodwill with my staff—they know I am not above answering the phones. I also learn who is receiving too many personal calls.

2. Call our customers for outstanding money. Yes, it sounds a bit uncomfortable, but calling on my open receivables trains my customers to pay on time and often uncovers internal organization problems. I spend one or two days each month calling on older receivables. I run a report and look at every invoice that is 45-60 days old, and then I start dialing or emailing. This ritual is commonplace at first, but with discipline it takes less time, trains my customers to pay faster, develops a relationship with their accounts payable contact and uncovers internal organization problems. I have in my product or service delivery processes.

I first call and ask if there was a problem with the invoice. Did they receive it? Did they receive the product/service? Were they pleased? Could we have done it better? Usually there are three reasons people don’t pay. The most obvious is cash flow problems—they just don’t have the money. If this is the case, you want to immediately re-evaluate their credit limit and start calling them weekly to make sure you are paid first once the money comes in. The second reason is fairly simple—they did not receive the invoice. There are myriad reasons why invoices get “lost,” but the important thing is to get them the invoice so they can pay...so email or fax it ASAP! The third reason is that there is a discrepancy. It doesn’t show as received in their system, the pricing did not match their PO or someone has put a note to hold payment due to some problem, mis-shipment or planned return. Each situation is an opportunity to find a better way to tweak our process to better meet that customer’s need.

For each call, I document to whom I spoke and what I was told. If the next time I call or email them I get the same story, I know they are not shooting straight and I get a bit more direct. I can start holding orders or reducing their credit limit to get their attention. Calling customers directly also gives me a chance to help my front-line people learn the impact of their actions. If they are never shown the back-end results of their work, they can’t know how to fix them. I see it as a quality check on our entire process: from new customer set-up through order entry, shipping and invoicing. A mistake at any point can affect the quality of service for our customers.

For my business, the results of these two activities are better cash flow, better customer and vendor relations, better employee training and, most importantly, a sense that the boss knows what is going on and understands the lives of the people on the front lines.

MARK GRAHAM
ED TORONTO

In my experience, the meaning of leadership is giving my staff a voice to express themselves.

My company, Right Sleeve, is an online promotional marketing agency. The staff members we attract enjoy selling our fun/hip/trendsetting products to image-conscious companies. Working with headstrong, creative, opinionated people can be a challenge, but allowing a group of people like this to express themselves creatively can have extraordinary results.

THERE ARE THREE WAYS I GO ABOUT GIVING MY STAFF A VOICE:

PARTICIPATION
We have weekly meetings to discuss creative initiatives. These sessions are pretty liberal and open ended. I have found that the more freedom I give my staff members, the more creative they are with their ideas.

For example, in a recent session about how we were going to communicate our top sellers to clients, we honed in on the idea of a Staff Top Ten list. In order to give this promotion a little more personalization, the team decided it would be fun to showcase ourselves as the style makers behind the products. Fast forward to the creative: We now have people striking poses in the Number 10 to represent the Top Ten theme so we could capture the meaning of the promotion on our website.

These exercises are often very random, and the energy in the room is unbelievable, as it allows members of the team to express themselves as well as feel connected to the overall mission of the company—to deliver a WOW experience to our clients.

OWNERSHIP
In addition to these creative sessions, I ask each staff member to be a weekly “Learnings Chair” where they moderate a discussion based on a case study of their choosing in their assigned week. This case study may be a chapter from a book, blog post, magazine/newspaper article or podcast. This topic is distributed to all staff a few days in advance. Each Monday, the appointed staff member will lead a discussion on the top three learnings from the case study and how we can apply them to Right Sleeve.

The results have been fantastic. Not only does the company learn three new things each week, but each staff member is empowered every time they are asked to present in front of their peers. This is much more powerful coming from an employee than it is coming from the boss (people just expect me to say these things!).

SETTING AN EXAMPLE
As a leader, I find that the written word gives my ideas more legitimacy. As such, I publish my ideas on our company blog for the world to see (www.rightsleeve.com/blog). Our company blog is successful because it gives Right Sleeve a human face. I do not write about anything to do with selling our products, rather I use it as a medium to communicate my philosophies on marketing and business in general. I have found the impact of the blog on my staff to be profound as it gives them a forum to discuss and debate the things I publish online (and believe me, they debate them passionately). They also get the opportunity to look “beneath the hood” and see what makes the owner tick—unfiltered and uncensored. This is powerful as it makes me more accessible as a leader.

While I have made many mistakes in running this business, one of my biggest successes has been giving my staff members a say in the process so their sense of ownership increases...that makes my job a little easier every day!
As entrepreneurs, we need to know a lot—so much that we need to know nothing. We need to be experts in our industries, our markets and our businesses, knowing them inside and out and from every possible angle. Now we’re expected to know our employees, too? Is this just another trend in organizational diagnostics, or is there actual business value in knowing who our employees are and running our companies with this in mind?

As the Principle of Caliber Leadership Systems, I work with leadership teams to shift dynamics and build distinct cultures that create sustainable competitive advantage. That’s easy work compared to being in the middle of the dynamic as the leader! I have beliefs and goals that translate into things I want to see happen in my company, and employees that don’t subscribe to or espouse the same beliefs and values that I do are not likely to fit into the culture I establish or be compelled to drive toward the long-term goals that I have set for my business. So, what does that mean for me and the way I run my company?

What I have found is the more I really understand about my employees— their motives, aims, fears, drives, hard wiring—and the more they understand themselves, the more effective I have been at creating high-productive, high-performing relationships within my organization. This understanding has been carefully cultivated, not left to chance, through the use of a variety of assessment tools and a process for fostering understanding in all of us (my staff understands me as well as I understand them).

It starts with the hiring process. I admit I have made mistakes—great, talented people who were not able to get their needs met based on the culture of the organization, the nature of our business and my style as a leader. Now, we have our top candidates complete several assessments which allow us to better understand the needs, motives and behavioral patterns of the individual. It gives us the opportunity to make informed, objective choices about a candidate and build a strong core team of individuals with diverse and complementary skills, abilities and interests.

At the core of our assessment approach is the Myers-Briggs Type Indicator, which tells us how people are hardwired to behave and what preferences will be evident in their actions. We also extensively use the Bar-On Emotional Quotient Indicator, which gives us insight into behavioral and emotional development.

Every few years, we introduce a new tool, a new perspective. This past year, we began working with the Enneagram, which looks more closely at the motives and fears from which people work.

Our approach is not a one-time event. We incorporate the language into our practices. It is part of our feedback and development processes.

Through this process of really exploring my employees, I have learned to stop trying to be all things to all people. The more I understand my employees, the less I judge their behavior and the more capable I am of responding to them effectively as a leader. The more I understand about their needs and their strengths, the more I focus their contributions in these areas. One employee perfectly matches my blind spots; she gets tasked with process execution, stabilizing our practices while I move on to the next thing. Understanding her strengths allows me to give her the direction and input she needs to be effective without wishing she were more like me (because if she were, none of what she does for my business would happen).

So, to answer my very first question, “Now we’re expected to know our employees, too?”—I would have to say, “Yes.” Not because knowing your employees is a popular movement, but because the ultimate benefit of knowing your employees is an engaged workforce that is loyal, productive and made up of people who find their work personally meaningful and motivational.
20 YEARS OF FUELING THE ENTREPRENEURIAL ENGINE

In fiscal year 2007/2008, EO marks two decades of engaging leading entrepreneurs to learn and grow. In fact, that’s our mission. Our vision is to build the world’s most influential community of entrepreneurs. Year by year, member by member, we are making that vision a reality.

Two things become apparent when you look back at EO’s history. First, EO does not have one history—we have as many histories as there are people to tell them. We strive to tell you about EO’s first 20 years in the words of the people who experienced them. Second, in addition to world-class educational and networking opportunities, there is one critical factor found in every facet of EO’s past—fun. Adventurous spirits and senses of humor abound. The thrill of risk takes on a new meaning as every opportunity and experience with connections to experts and once-in-a-lifetime experiences, and we transform members’ lives in a very positive way. It’s that simple; it always has been that simple.

MARK LINCOLN 1999/2001

In celebration of EO’s 20th anniversary year, the next four pages will feature special content that examines the organization that has altered the way. It’s that simple; it always has been that simple.

» Octane

» Entrepreneurs’ Organization

» Saving the entrepreneurial engine

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- More than 400 members and guests gather in Toronto for the first-ever sold out University.
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- The first issue of Octane is published.

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TROY HAZARD 2006/2007

CELEBRATING 20 YEARS OF FUELING THE ENTREPRENEURIAL ENGINE
Looking Back

**YEO Presidents**

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<th>Year</th>
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<td>1990/91</td>
<td>Kimberly Hickok Smith</td>
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<td>Neil Balter</td>
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<td>2004/2005</td>
<td>Ashley Postlewaite</td>
</tr>
</tbody>
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**WEO Presidents**

<table>
<thead>
<tr>
<th>Year</th>
<th>President</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996/97</td>
<td>William Ritchie</td>
</tr>
<tr>
<td>1997/99</td>
<td>Gilles Verrier</td>
</tr>
<tr>
<td>1999/2001</td>
<td>Stephen Ransam</td>
</tr>
<tr>
<td>2002/2003</td>
<td>Ken Priestman</td>
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<tr>
<td>2003/2004</td>
<td>Tom Skelly</td>
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<tr>
<td>2004/2005</td>
<td>Brian Hansell</td>
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**EO Chairmen and Presidents**

<table>
<thead>
<tr>
<th>Year</th>
<th>President</th>
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</thead>
<tbody>
<tr>
<td>2005/2006</td>
<td>Myles Sherman and Mick Mullins</td>
</tr>
<tr>
<td>2006/2007</td>
<td>Darton Case and Troy Hazard</td>
</tr>
<tr>
<td>2007/2008</td>
<td>Sunjay Kapur and Shelby Scarbrough</td>
</tr>
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EO asked current chapter presidents:

**Where do you think your chapter will be in another 20 years?**

*“The New York chapter will either be thriving as a 500+ member chapter or there will be multiple New York chapters, similar to YPO.”*  
CHRISS BRYANT, EO NEW YORK

*“Hopefully a very tight organization of hard working, successful, credible entrepreneurs willing to share experiences with one another. Ideally the most respected organization in our country.”*  
ANTON GONZALEZ, EO PHILIPPINES

*“I imagine we’ll find new and better ways to define ‘peers’ and to raise value through different types of peer connections. I hope the Atlanta chapter will be an early adopter of new possibilities, if not a creator of them!”*  
ELLIE BYRD, EO ATLANTA

*“400 members across the UK and chapter retreats on Mars or the moon— I guess that really would be once-in-a-lifetime!”*  
ELLIGT JACOBS, EO LONDON

*“Huge, I’m sure. Hopefully an organization that our two teenage children will also be a part of.”*  
DAVID STEELE, EO VANCOUVER

*“I wish I knew. The character of our chapter is so dynamic that it is impossible to predict.”*  
JAVED TAPIA, EO BOMBAY

*“Cleveland.”*  
TOM HOBSON, EO CLEVELAND

Making Real the Vision: The Founding Board of Directors

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>VERNIE HARNISH</td>
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<tr>
<td>NEIL BALTER</td>
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<tr>
<td>JULIE BRICE</td>
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<tr>
<td>JAMES CALANDO</td>
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<tr>
<td>BRETT DAVIS</td>
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<tr>
<td>ROBERT LEWIS DEAN II</td>
</tr>
<tr>
<td>JIMMY ENRIQUEZ AND ROBIN MOELLER</td>
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<td>ALFRED F. GERRIETS II</td>
</tr>
<tr>
<td>KEVIN HARRINGTON</td>
</tr>
<tr>
<td>RENNY ROBINSON</td>
</tr>
<tr>
<td>AUBREY HOLMES</td>
</tr>
<tr>
<td>GREG STEMM AND LAURIE DEFRAIN</td>
</tr>
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20 Years of Engaging Leading Entrepreneurs to Learn and Grow

*“When I joined YEO 15 years ago as a founding member of the Mexico City chapter, we could only dream of having a true international organization. Today, that dream is a reality. I foresee that EO will continue to grow stronger internationally and work to stay one step ahead of the ever-changing needs of its members.”*  
Maria Cintron Magennis

*“When I was international President of EO, we did not have enough money to cover our expenses. The way I overcame it was myself and Peter Thomas each loaned EO US$10,000 to pay its bills.”*  
Myles Sherman

*“Being elected as a President in this organization obviously is not only prestigious, but it comes with a great sense of responsibility and duty. For me, it was pure excitement, because I was going into a space that was not remotely close to any experience I had ever had.”*  
Ellie Byrd, EO Atlanta

*“As an EO leader, I’ve learned to pay very close attention to what motivates entrepreneurs, because to lead entrepreneurs requires finding rewards that are compelling to people who already have very full lives.”*  
Elliot Jacobs, EO London

*“Leading leaders is a tough job. Entrepreneurs are very opinionated, smart and demanding. Now I know what it feels like to be my employee!”*  
Myles Sherman
HOW TO INCREASE ACCOUNTABILITY IN ANY ORGANIZATION

Bob Prosen

A leader’s job is to ensure every member of the team wins, and winning is defined as meeting the organization’s top objectives. One of the best ways I’ve found to help people win is to establish an accountability-based culture focused on producing results, not activities. Here is the seven-step formula you can use to create accountability and achieve extraordinary results in any organization:

**STEP 1:** Establish the organization’s top three objectives. This means the significant few, not the important many. Once identified, objectives must be clear, concise, measurable and obtainable. Notice I didn’t say easy!

**STEP 2:** Assign each team member his or her respective objectives. Remember, when combined, they must allow the organization to achieve its top objectives. In other words, the sum of the parts must be equal to or greater than the whole.

**STEP 3:** Ask each team member what he or she needs to win. To help people win, leaders must remove the roadblocks that stand in the way. Do this by having each team member identify a maximum of three things they need to accomplish each objective. Have them put it in writing.

**STEP 4:** Agree on what the leader will do to help. Meet individually with each team member to clarify the roadblocks and agree on what’s needed to win and who will be responsible for making it happen. In all likelihood, the leader will assume some responsibility. Why? Because you’re responsible to people, not for them. Being responsible to people means helping them get what they need to win.

**STEP 5:** Follow up. Each direct report should schedule a 30-minute monthly update using a standard color-coded results report. Results at or above the plan are in green and any area behind plan is in red. Focus the conversation on what was done to achieve green and if the results will remain green for the remainder of the year. When discussing red results, focus on what will be done to achieve green status, when it will be achieved and any help that’s needed.

**STEP 6:** Share lessons learned. Hold quarterly all-direct meetings with all direct reports present to discuss lessons learned, identify critical roadblocks and make specific offers to help any team member behind plan. Remember, the leader wins when everyone on the team wins.

**STEP 7:** Reward results. When objectives are achieved, ensure that rewards are disproportionate and highly visible. Those who achieve the most get rewarded the most— and everyone should know that. It’s just that simple. Ensure that people at the bottom are either improving their performance or being moved out. No one with poor performance gets to remain on the bottom for more than a year without action being taken.

Effective communication drives results. This means being direct and forthright with people in every conversation, letting them know where they stand, what’s needed from them and when it is needed. Often good leaders can become great leaders by reshaping the way they talk. Here’s how it works. When you make a request of someone, take a little extra time to explain why you are asking for it. Put it in context and explain why it’s important to the goals of the business. Then the person can provide a more robust solution because she understands the purpose of the task and how the information will be used.

Last but not least, don’t forget to ask what the person needs in order to complete the task. This approach removes excuses, reduces rework and is a great way to build relationships. It’s also a great way to develop future leaders by increasing responsibility and encouraging decision making and creativity. By holding others accountable, you are teaching them to accept responsibility. Remember, making and meeting commitments is one of the best ways to build trust. So treat commitments as promises and watch how results improve.

Bob Prosen is President and CEO of The Prosen Center for Business Advancement, whose mission is to help business leaders execute and achieve results that count. Bob, a speaker at the 2007 Entrepreneurial Masters Program (formerly Birthing of Giants), is the author of the book “Kiss Theory Good Bye.” www.kisstheorygoodbye.com

One of the toughest challenges powerful leaders face comes not in the workplace, but in their homes. How can they be a leader/authority figure as a parent without overpowering their kids? Without casting too large a shadow?

During the 16 years that I have been running personal growth summer camps for kids and teens, I’ve been humbled by lessons served to me from campers. One of the most important lessons came three years ago.

At our two-day staff retreat, several of our “young staff” (18-25-year-olds) surprised me by asking if they could handle something with me. I had known most of these young men and women since they were 8-10-year-olds, and they had kind of grown up with us over many years at camp. They told me that they were feeling disrespect— that I was still treating them like campers. As I listened and reflected on what they were saying, I realized they were right. I was still subconsciously seeing them as campers/students through the eyes of the leader/teacher. They wanted to be seen and treated as equals. They had a lot they wanted to teach me and to add to the camp experience. I hadn’t totally switched the way I saw them in my mind. And then it struck me that I was doing the same dance with my three kids, two in college and one in high school. I was comfortable in my role as father, teacher, leader and advice giver, yet it was time for me to give up some of that power and mindset and see my kids as adults who had much to offer me.

But I guess it’s not as easy as it sounds, letting go of control and of always being in charge. Two years ago at a family camp that I run with my wife, Anne, we did a team-building challenge exercise with the families. I had seven kids and five parents who had to get their team across a lava pit using magic carpet squares. Before they started, I suggested that the parents should step back and let their kids do most of the suggesting and leading. The first few attempts failed, with the parents doing most of the talking.

Next, I had imaginary testes flies bite the parents, making them mute. They still did most of the talking throughout the next two failed attempts. I then blindfolded the parents so they couldn’t talk or see, and the kids finally were able to take over the leadership. After much sweat and excitement, the final two team members, a dad and his 14-year-old son, leaped across the finish line and the camp exploded with joy.

When I asked the parents what they learned from the exercise, they all said the same thing. They realized how often they take the leadership role at home, despite how capable and competent their kids are. They realized that they were robbing their kids of opportunities to lead and grow and build their confidence.

Since that staff meeting three years ago, I have been very sensitive to seeing and treating our young staff members as equals; giving them more opportunities to lead and be valuable, and, most importantly, honoring who they are and have become as adults. It’s actually been very fulfilling and enjoyable— and relaxing— to now have many captains of our camp ship.

So consider getting out of your comfort zone leadership role at home and following your lead. Your kids might surprise you with how well they take the helm.
Here are upcoming opportunities for EO Global learning.

For more information, contact events@eonetwork.org.
The STARFISH and the SPIDER

THE ERA OF LEADERLESS ORGANIZATIONS

ROD BECKSTRÖM

When we look at the world, we naturally seek order. We like to have hierarchy all around us, whether we’re looking at a Fortune 500 company, an army or a community, our natural reaction is to ask, “Who’s in charge?” But what happens when there’s no one in charge? What happens when County’s hierarchy is no hierarchy? You’d think there would be disorder, even chaos. But in many arenas, a lack of traditional leadership is giving rise to powerful groups that are turning industry and society upside down. In short, there’s a revolution raging all around us.

No one suspected that Shawn Fanning, sitting in his dorm room at Northeastern University in 1999, was about to change the world. The 18-year-old freshman typed at his computer and wondered what would happen if people could share music files with one another. Fanning came up with Napster, an idea that would deliver a crushing blow to the recording industry.

In 1995, a shy engineer posted online listings of upcoming events in the San Francisco Bay Area. Craig Newmark never dreamed that the site he launched would forever alter the newspaper industry through www.craigslist.com.

In 2001, a retired options trader set out to provide free reference materials to kids around the world. He never thought that his efforts would one day allow millions of strangers to use www.wikipedia.org to create the biggest information repository of our time.

Decentralization has been lying dormant for thousands of years, but the advent of the Internet has unleashed this force, knocking down traditional businesses, altering entire industries and affecting how we relate to each other. The absence of structure, leadership and formal organization, once considered a weakness, has become a major asset. Seem more chaotic it seems, the more resilient it is. The more you try to control it, the more unpredictable it becomes.

Spiders and starfish may look alike, but starfish have a miraculous quality to them. Cut off the leg of a spider, and you have a seven-legged creature on your hands: cut off its head and you have a dead spider. But cut off the arm of a starfish and it will grow a new one. Not only that, but the severed arm can grow an entirely new body. Starfish can achieve this feat because, unlike spiders, they are decentralized; every major organ is replicated across each arm.

But starfish don’t just exist in the animal kingdom. Starfish organizations are taking society and the business world by storm, and are changing the rules of strategy and competition. Like starfish in the sea, starfish organizations are organized on very different principles than we are used to seeing in traditional organizations. Starfish organizations are centralized and have clear organs and structure. You know who is in charge. You see them coming.

Starfish organizations, on the other hand, are based on completely different principles. They tend to organize around a shared ideology or a simple platform for communication—around ideologies like al Qaeda or Alcoholics Anonymous. They arise rapidly around the simplest ideas or platforms—ideas or platforms that can be easily duplicated. Once they arrive, they can be massively disruptive and are here to stay, for good or bad. And the Internet can help them flourish.

We look for hierarchy all around us. Whether we’re looking at a Fortune 500 company, an army or a community, our natural reaction is to ask, “Who’s in charge?” But what happens when there’s no one in charge? What happens when County’s hierarchy is no hierarchy? You’d think there would be disorder, even chaos. But in many arenas, a lack of traditional leadership is giving rise to powerful groups that are turning industry and society upside down. In short, there’s a revolution raging all around us.

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WE LOOK FOR HIERARCHY ALL AROUND US.
DO YOU SUFFER FROM HIRINGITIS?

Bob Sanborn’s phone rang for the fourth time in the last hour. We were meeting with him to discuss his talent agenda for the year, but constant interruptions made a productive discussion virtually impossible. “What can I say,” he said, looking at us sheepishly. “They need me. My wife gets on me all the time for not being able to take a vacation, but this place would fall apart without me. It is killing me.”

The call was from Bob’s CFO, and we could tell that Bob didn’t think much of him by the way he spoke. “No, that is not what I asked you to do...We’ve discussed this...Jack...Listen to me...We are not going to do that...I said no...” The call went on for a few more minutes before he hung up in exasperation.

“I never should have hired Jack,” Bob explained. “He just won’t listen to me. I told him on an Internet posting board and thought he was perfect for the job. But, he is completely incapable of helping me raise money. He is more of a controller-type, and he annoys people with his arrogance.” He rubbed his forehead for a moment before looking up with haggard eyes. “I am under so much stress that my hair is starting to fall out.”

Like many CEOs, Bob was suffering from a severe case of hiringsitis, a common and painful affliction that causes hiring mistakes due to poor hiring methods. Hiringsitis hurts financial performance and decimates one’s personal career. His team was average at best, and certain executives, such as his CFO, caused nothing but headaches and heartburn (common symptoms of hiringsitis, along with stress and even hair loss).

HOW ARE YOU BUILDING A TALENT ADVANTAGE OVER YOUR COMPETITORS?

Successful entrepreneurs know that winning depends on execution. Successful execution depends on having “A Players” on your management team. These are the individuals with whom you share leadership responsibilities for your company. You and your business can’t afford anything but the best.

The world’s most successful entrepreneurs practice what their company calls “StreetSmart Hiring.” They follow a four-step process of scorecarding the role, sourcing the right talent, selecting the right candidate and selling the person on joining the company.

Consider Adam Mayors, the CEO of a manufacturing company. Adam builds a scorecard before hiring, which is a document that lays out what he wants the person to accomplish in the role. Why hire a CFO who can’t raise money if that is what you need the CFO to do?

Next, Adam taps his network to find potential candidates for the role. He builds his network everyday by asking everybody he meets, “Who are the most talented people you know?” Then he calls those people and gets to know them. As a result, he has built a substantial pool of “A Players” from which to recruit.

Adam then invites his most promising candidates for a going over interview, which is a chronological walk-through of their careers. He has no trouble grading his scorecard and making an informed hiring decision based on the hundreds of data points he gathers through this interview. He easily spots people who were top 20% performers wherever they went. He avoids people who cast blame on others rather than taking accountability for their mistakes. And, he has great success with people who have a history of being pulled from one job to the next rather than pushed out through terminations and disagreements with bosses. Adam picks the right people 90% of the time or better.

Bob looked unsettled by all of this. “Don’t I need to sell people on my company?” he asked. “Won’t this process chase people away?”

Sure it chases people away – “B” and “C Players.” “A Players” love it because they know they can win when they get behind someone who’s committed to building a strong team. After all, who wants to work with an entrepreneur afflicted with hiringsitis?
LEVERAGE THE NETWORK
Join it. Use it. Build it.

REMAIN A PART OF THE NETWORK BY RENEWING YOUR EO MEMBERSHIP BY 1 JULY.

A LAPSED MEMBERSHIP MEANS MISSING OUT ON FORUM, CHAPTER EVENTS AND CONNECTING WITH YOUR PEERS FROM AROUND THE GLOBE. CONTACT US AT +1.703.519.6700 OR MEMBERSHIREPRESENTATIVE@EONETWORK.ORG AND RENEW YOUR EO MEMBERSHIP TODAY.