

## **Chapter One: Measuring Business Success**

### *Happiness Matters*

Happiness is the driving force behind everything Americans do. It is the key to determining their wants, needs and desires. It is the essence of the American Dream and is as important as the air you breathe. Even our Declaration of Independence calls for the pursuit of happiness. And yet a 2006 study by the Pew Research Center found that only 34 percent of Americans consider themselves “very happy,” 50 percent “pretty happy,” and fifteen percent report that they are “not too happy.”

One of the most popular courses at Harvard University teaches happiness and creating “a fulfilling and flourishing life.” In fact, the course on “Positive Psychology” outdraws “Introductory Economics.” That scares me. Have we have gone so far down the road of work, power, and greed that we need to be taught about happiness?

I believe these examples point to an overactive, overachieving, over-stressed population chasing after broken dreams. On the other hand, this information points to an untapped market your business can penetrate. The savvy business person will do everything possible to ensure that his or her business is people-centered and not primarily focused on the bottom line. My belief is that if you do good, your business will do well.

Don't jump to conclusions, however. I do not advise firing your CFO, your accountant, or your financial adviser. My argument does not pit happiness against financial responsibility and healthy margins. Instead, I argue for strong fiscal responsibility and creating budgets that create better-than-hoped-for margins, by focusing on happiness to grow success and the bottom line, but never falsely. Everything you do must be authentic to a culture built on values. Business leaders are responsible creating happiness within the organization, and responsible for the bottom line.

From the various reports I've read, it seems that at least 65 percent of all Americans want great business experiences that will help make them happy. Even the “very happy” folks can be moved to a higher happiness level, creating even greater customer-conversion opportunities for business.

Research tells us that happy people are more productive and they live longer lives. One study on a Catholic religious community concluded that nuns who had a positive outlook in their 20s lived as much as 10 years longer than those who are less positive. Another research project focused on a group of people who kept a daily diary for six months recording only those things that went well on any given day. The conclusion was that these participants were happier and healthier than those participants who did not focus on positive thinking. Both studies imply that businesses could increase productivity and work attendance by focusing on happiness in the work place.

To summarize the conclusions of these and other studies underlies the foundation of this book's business philosophy. Happiness has more to do with our state of mind than with the state of our bank account.”

*Lead With Your Heart* offers a philosophy that great businesses—large and small—will create better places to work, contribute positively to their communities and to the environment, and produce products and services that result in happy customers and clients if they embrace the law of reciprocity—giving is getting—and are people-focused, not money focused.

In *Lead With Your Heart* I do not suggest that happiness waits just around the corner and it is easily within our grasp. Happiness defined in the *Lead With Your Heart* business model looks like this:

1. Business is people-centered. People come before profit in every instance.
2. Its values talk to making the world a better place to live and work.
3. Business understands the wants, needs, and desires of its employees and its customers.
4. It creates products, services, value, prices, and most important, experiences that meet or exceed people's wants, needs, and desires.

Only a blind, dumb, and extremely arrogant business community would ignore the data and the business potential inherent in making people happier—and not just consumers. In fact, I argue, as have a few others before me, that your employees must

first feel as sense of happiness about the company they work for and the work they do if a business's customers and clients are to experience levels of happiness that keep them coming back.

Every week, you and I experience negative consumer experiences. Apparently the world is full of business managers unable to imagine and create business experiences that make us happier, or experiences built upon solid, trustworthy, credible, and uplifting values. Profit shouldn't be the primary force behind success.

Citizens Financial Group represents a business that strives diligently to create an experience that fulfills my image of happiness. While banks don't normally do a great job providing memorable positive experiences for people, this bank gets it. Its web site gives you a hint of why people are the center of their business.

"In 1828, Citizens Financial Group got its start as a small community bank called the High Street Bank in Providence, Rhode Island. In 1871, the directors of High Street Bank established Citizens Savings Bank. Its first deposit was from Miss Jessie Grant, the daughter of the bank's vice president." The firm has since grown to have \$155 billion in assets, making it the 8th largest commercial bank holding company in the United States. Owned by The Royal Bank of Scotland Group the company has branches in 13 states and non-branch offices in more than 30 states. But while we've grown in size, we still try to provide every customer with the same friendly, personal service Miss Jessie Grant received that very first day."

The Company's *Citizens Credo* (distributed only internally) asks that each employee live their work lives in the following ways:

Customers

*Treat the customer the way you would love to be treated all the time.*

Colleagues

*Do what it takes to make Citizens the best place to work in the world.*

Community

*Show that you care deeply about the community. Conduct yourself ethically all the time.*

It is not unusual for a business to have a credo or guiding principles. However, it is all too frequently the case that businesses do not live up to what they claim to stand for. Citizens Financial employees do a very good job of living up to their credo in their interactions with people.

Ultimately, your fate as a business person be it entrepreneur, executive, owner, middle manager or lower-level employee comes down to the “who” not the “what.” So it only makes sense to spend most of your time thinking about what makes people happy and what doesn’t.

The pursuit of happiness does not rest on some shaky psychological definition of being happy. Throughout this book, I lay out what it takes to create customer and employee experiences that develop customer loyalty, create a great brand image, increase sales, and grow the bottom line. In essence, I am talking about building businesses that revolve around customers and employees, that are built on values, and that deliver experiences that exceed expectations. That is what I call happiness.

### ***The Story Begins***

On a big lake in the Pacific Northwest sits a large and elegant estate, complete with swimming pool, an orchard, forested landscapes, several houses, including a spacious main house, a boat dock, and grand views of the lake and city beyond.

The Sisters of St. Joseph of Peace live here. In addition to practicing their mission of peace through justice, they possess the business skills of America’s greatest CEOs. Some of them are entrepreneurs, and some are executives. Their neighbors include Bill Gates.

Across the lake sits another birthplace of success--Starbucks. While salaries are relatively modest, potential wealth in the form of stock options and excellent benefits is available to all who work a specified minimum of hours, supplemented bountifully with substance difficult to measure—happiness based on giving and on values.<sup>1</sup>

The first place is the home of a religious order, the second the headquarters of business giant. The differences might seem obvious—the nuns in the religious community don't choose making money as their goal and they live modestly despite their surroundings. On the other hand, Starbucks works diligently to make a profit. The employees (called partners), from executives to baristas paid hourly, choose lifestyles commensurate with their incomes.

What could these two groups possibly have in common? It's simple: Both organizations strive to create happiness for themselves and those they touch; both approach their missions with love, passion, commitment, and dedication; and neither group measures success solely by the volume of money they possess or the images they project. Both organizations lead with their hearts.

That is the lesson I want to explore in this book. Business and personal success can be measured in terms of revenue, which may or may not deliver happiness to the wealth makers, the workers, or the customers. I believe there is a better way to measure business. Both the nuns and Starbucks leaders demonstrate that way.

Religious orders reach out to lift people up in any number of ways—by educating, offering health care, providing shelter to the homeless, and feeding the poor. In these ways they contribute to the well-being of those they serve.

Moving from the spiritual to the mundane, walk into a Starbucks store and watch employees interacting with the customers. You will see happiness. It comes from what Starbucks calls the *Third Place Experience*.

Enter the headquarters building and you will see more of the same, as well as the stress and the angst that comes from working in any business. Since its founding, Starbucks has made billions of dollars. Starbucks, however, does not exist solely to make money nor do they measure success only in that way. In fact, Starbucks does not exist only to sell coffee. Its lifeblood is creating an experience that results in happiness, even though they don't use that word to describe it.

How Starbucks measures success? The Mission Statement tells us:

***Starbucks Mission Statement***

*Establish Starbucks as the premier purveyor of the finest coffee in the world* while maintaining our uncompromising principles while we grow.

The following six guiding principles will help us measure the appropriateness of our decisions:

1. Provide a great work environment and treat each other with respect and dignity.
2. Embrace diversity as an essential component in the way we do business.
3. Apply the highest standards of excellence to the purchasing, roasting and fresh delivery of our coffee.
4. Develop enthusiastically satisfied customers all of the time.
5. Contribute positively to our communities and our environment.
6. Recognize that profitability is essential to our future success.

The first five principles have to do with leading from the heart and mind (and, as a result, creating happiness).

### *Happiness Touches Everyone*

This is a good time to take a breath and further define happiness for you. Some people think of happiness as a kind of satisfaction. I argue that it extends miles beyond satisfaction. It does not often have to do with laughter or fun, although fun sometimes is part of it. Instead, the happiness I talk about within these pages comes from the center of our being, close to our hearts and deep within our psyches. You know it when you experience it, and so do your customers.

Starbucks is not the only example of what this business paradigm looks like. I could have used a number of small, mid-sized, and large companies as examples of a holistic approach to business, where profits are essential to success yet are only one factor used to measure success. You can read about many of them in *Built to Last* by James C. Collins and Jerry I. Porras.<sup>ii</sup>

These companies make it because they give back to their leaders, their workers, their stockholders, their customers, their communities, and their environments—their business model is based on ethics, morals, and more often than not, happiness.

Do they represent some likeness to Nirvana? Of course not. They are led by humans who sometimes make mistakes. The lesson, however, is that such companies make better places to

work, contribute positively to their communities and to the environment, and produce products and services that result in happy customers and clients.

The differences between a company that is led with the heart and a company that is led by the bottom line are pretty clear, as you can see:

<b>Happiness Model</b>	<b>Results</b>	<b>Bottom Line Model</b>	<b>Results</b>
To build a business culture internally based on happiness	Increased productivity, decreased employee turnover, customer-focused employees	To build a business culture internally based on the bottom line	Average industry productivity, increased employee turnover, internally focused employees
To create great customer experiences that exceed expectations	Increased sales, loyal customers, customers who encourage others to purchase from your business	To create good products and services that meet or exceed customer expectations	Average industry sales, customers looking for a deal, a business like any other that fails to generate customer referrals
To focus on the “who” (people), not the “what” (things businesses do)	Employees concerned with creating products and services that meet or exceed customers’ wants, needs and desires, customer service that is the best in your industry	To focus on the “what” (things businesses do) not the “who” (people),	Good products and services that might meet customers’ wants, needs and desires, average and uneven customer service
To market and sell experiences	Focus is on creating great customer experiences that exceed customer expectations, creating loyal customers buying value not price, increasing margins	To market and sell products and services	Focus is on making and selling products and services that may meet customer expectations but are seldom better or worse than competitors’ products and services, so customers shop for price not value, decreasing margins
To live by our values	Values are about people (not products and services) and every thing you say and do is measured against each value. If something violates any value’s standards, it is not said or done	To live by the bottom line	Values are frequently ignored, leading to a lowering of credibility and trust within the minds and hearts of employees and customers (and, in some instances, costly lawsuits)

To hire people who believe in your business's values and to fire those who don't	Builds a culture that is people-centered and happy, where workers want to exceed expectations, and be innovative and creative	To hire people with skills, who seem like hard workers	Builds a culture that is not people-centered, resulting in a "that's not my job" work ethic and a "this is how we do it here" attitude, diminishing the value of innovation and creativity
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That's all good. So is the fact that this business style represents a model for success that also results in profits and wealth. Sometimes the wealth is measured in big, fat and tall stacks of green and sometimes it is measured by smaller stacks. It is always measured by a happy heart.

Business people come in all shapes and sizes, all degrees of intellects and personalities, and all varieties of experiences. Not everyone accepts this philosophy or these ways of doing business. In fact they might scoff at it—and that, I believe, is their loss.

***Happiness, Commitment and Hard Work***

Some of you have probably flashed back to the '60s and suspect that I swallowed too many pills or sucked down too much of the sweet-smelling herb. Let me assure you that I have no illusions about the intelligence, stiff spine, and sweat equity it takes to create a successful business. This book will discuss those things necessary to create success.

So, if you are prepared to put in the time and sweat (and money, if you own your business) to make your business succeed and add a little heart to it, let's get on with it.

And remember, hard work, structure and planning, and fiscal responsibility can be combined with happiness and wealth for all, without sacrificing the bottom line.

***Failure***

If you listen to the claims of some so-called experts about business failures, you might conclude that business people stand at the precipice of failure. Not so.

Business failures only represent 2.1 percent of the 1,597,000 failures recorded by the Administrative Office of the U.S. Courts. Most failures (1,563,000) are individual bankruptcies.

Great! So where does the idea that businesses often fail come from? Most entrepreneurs, business owners, and business managers succeed. Does that mean the odds of succeeding and

making tons of money are weighted heavily in your favor? Not so fast! While the business failures cited by the numbers seem small, they fail to take into account mediocrity and the guilt and anguish people feel working for leaders who bring pain into their employees' lives and into their customers' lives.

This book is not about being average, nor is it supportive of mediocrity or exploitation or pain. It is about being the best you and your business can be.

Like business people, business failures and mediocrity come in many shapes and sizes. Time and time again I hear business people proclaim that they just want to break even and maybe make a little money. They set easy goals and don't stretch themselves because they fear failure (or success). Many bow to the board rooms of America that demand only short-term results.

Maximizing business potential does not come easily or at all for these business leaders, because becoming the best you can be is not about playing it safe and just trying to make a buck today. It is about long-term results and calculated risk-taking and requires lots of stretching.

Howard Schultz, the visionary guru behind Starbucks, lived on no income for several years after raising the capital to purchase the company from its original owners. His sacrifice paid off big-time for Howard and Starbucks employees. Their hard work also paid off for the millions of coffee drinkers who thrive on the Starbucks experience, where baristas know your name, serve your needs and meet your wants. The *Third Place Experience* provides a place where you can go to get away. Pleasure and satisfaction are planned down to every single detail. Starbucks strives to build customer and partner satisfaction into everything they do. They serve as one of many examples in which businesses understand people and how to make them happy. Sometimes these businesses fail to meet people's wants and needs. They are not perfect. The story is, however, that they always try to exceed our expectations. These kinds of businesses create happiness that spreads across cultures, classes, and personal preferences.

Do you have the guts, know-how, vision, time and financial wherewithal to create success, to lead with the heart and to achieve a clear but far-away vision? Harley-Davidson, 3M, HP, and GE do. Each one is a super brand. And each is focused on making tons of money, while selling varying degrees and various kinds of happiness. Each company is a great brand. Not a single one

is perfect, nor do they operate on identical business models. But each understands the importance of values, each makes every effort to lead with the heart, and each counts on happiness.

Nowhere can I find the use of happiness as a measurement within any of these companies. In fact, they continue to measure success by the amount of money in their coffers. This hobbles them and prevents them from becoming great forces for change in the world. I believe it also limits their ability to be innovative and creative, which creates a roadblock as they seek new and great products that will be on the leading edge of people's wants, needs and desires.

The core purpose of *Lead With Your Heart* is to present a business model that combines the best of today's business models with new and innovative thinking that leads to making the world a better place to live and do business, while positively affecting the bottom lines of businesses that implement and execute this model. This book is your guide.

### *The General Electric Way Under CEO Jack Welch*

General Electric's Mission Statement from 1981 through 1995 under CEO Jack Welch is described this way in Welch's best-selling book, *Winning*,<sup>iii</sup>: "to be the most competitive enterprise in the world by being No. 1 or No. 2 in every market—fixing, selling, or closing every underperforming business that couldn't get there."

Being competitive is not synonymous with being the best, if you define "best" based on results as perceived by the customers, clients and employees you serve. Welch suggests that being the best means being No. 1 or No. 2 in every market (which in this case relates directly to revenues).

If you work for a company with this mission, I suspect at least some of you would do anything possible to achieve the goal, perhaps things that are unethical or beyond the boundaries. Welch specifically calls for playing by the rules and expresses his belief in integrity, but every business person and every athlete knows about stretching the rules, and I believe the GE Mission Statement might encourage that.

I set out in this book to show another kind of "winning" that is inclusive rather than exclusive and that does not shun competitiveness but does not embrace it as the central theme of a mission statement. I want businesses to instead strive to be the best they can be, the most innovative they can be, the greatest business in their industrial arena, the most honest, and the most trustworthy.

And so I encourage you to align your missions and values in order to achieve those goals, but always with an eye to making the world better, instead of just to make individuals wealthier.

I am a fan of Jim Collins and his book *Good to Great*.<sup>iv</sup> Collins tells us how “geniuses” seldom build great management teams and great companies because they don’t see a need to. Instead they focus on the “what”—“where to drive the bus and a road map for driving the bus” and then they enlist “a crew of highly capable ‘helpers’ to make the vision.” Great companies, instead, focus first on the “who” by getting “the right people on the bus...” and then the “what”—once you have the right people in place, figure out the best path to greatness.”

The “who” must ensure that everyone has a seat on the bus to achieve greatness. Creating a culture that is people-centered falls more into the Collins definition of rigorous instead of ruthless, which often is the driver behind bottom-line business models.

“To be ruthless means hacking and cutting, especially in difficult times, or wantonly firing people without any thoughtful consideration.”<sup>v</sup> Collins, instead, recommends that companies create rigorous cultures.

“To be rigorous means consistently applying exacting standards at all times and at all levels, especially in upper management. To be rigorous, not ruthless, means that the best people need not worry about their positions and can concentrate fully on their work.” What he’s saying falls within the goals of leading with your heart.

### ***Executive Compensation Hurts the Bottom Line***

When the top earners get an 883 percent increase and the bottom tier is rewarded with a decrease over 20 years, something terribly wrong is happening. It is unhealthy for our economy because 60 percent or more is dependent upon consumer spending. Consumer spending drops when pay levels do not keep pace.

I want to share one final example of a situation where greed gets in the way of productivity, prosperity, and great experiences for all.

While I was writing this book, Sikorsky Aircraft workers went on strike over what they believe were unfair hits to their health benefits. This is an era when benefits are being reduced,

and the cost of health care in the US is the root cause. Sikorsky's pay package is strong and the parent company, United Technologies Corp., is highly profitable. From the workers' frame of reference, this is not the time to increase their out-of-pocket health care expenses, especially when George David, CEO of United Technologies, earned more than \$50 million in 2005 and corporate profits were much lower (in the mid-teens).<sup>vi</sup>

Having been involved in strikes and management strategic planning to deal with potential strikes, I know firsthand that it is nearly impossible for an outsider to know what is really happening because communication coming from both the company and the union is garbled and misleading to varying degrees. However, in this instance, there is one clear communication being sent by the company that is hurtful to Sikorsky's case and to the future of employee productivity.

The message being sent to Sikorsky Teamsters is that one executive is worth more than several thousand workers. That is not true. A pay package for any CEO that looks like \$50 million is bad business, reduces a company's credibility and smacks of greed and injustice. Paying any one person \$50 million has to hurt the bottom line.

Businesses as a rule do not intentionally do harm, nor do executives. Harm is a natural result of the culture of winning as defined by today's standards. This book offers a different paradigm for winning and competition: It is measured by how much good is done, while maintaining profitable margins to perform more good and to create better and more products and services that are people-centric.

Many companies do great things. I'm simply saying that most are too narrowly focused on earning money instead of focused on becoming the leaders of change and greatness for all peoples in the world. Business leaders are best equipped and have the biggest bully pulpits. They're the one who can make this a better world, and I want them to take on this awesome and vital responsibility. Not *after* they retire from the business world, but *as* they are building great businesses.

Be the change you wish to see in the world. Lead with passion and strive to create happiness. We need a culture change. The best of the best—our business leaders—must use their power and positions to lead that change.

## *Leaders Reap the Benefits of the Reality They Create*

According to a survey released in January 2006 by salary consulting firm Salary.com, 65 percent of U.S. workers are considering a job search. These are workers already employed, so their motivation comes from deep within them. The survey also points out that bosses do not know what their employees are thinking.

Why are workers looking? Those surveyed cite “increased salary, opportunities for advancement, recognition and excitement.”

Most cite increased pay as the reason. Respondents say that 10 percent raise would compensate for dissatisfaction with working conditions, corporate mission, discrimination, lack of advancement, and impact on health, and a 12 percent raise would make up for inadequate benefits.

Instead of a 10 percent or 12 percent pay increase, shouldn't we focus on the root causes of disaffection? Raising a worker's pay is a temporary solution based on old-school thinking that workers care more about money than about having their basic emotional and psychological needs met. The workers' happiness is not raised substantially by more pay. If it were, there would not be so much employee dissatisfaction.

With few exceptions, every job people need or want has a social, a functional, and an emotional dimension.<sup>vii</sup> When business leaders focus on money, they speak only to the functional side of human needs. In baseball, great teams focus on pitching, defense and offense. Why, in business, would we focus only on one factor? We do so because we are blinded by making money, and we measure success only by counting that money.

We should set our goals to create a great culture, to keep our promises to our customers, and to create a better world, and then measure each area for success. If we do those things, we will make more money, employ better people, create more customers, and build a better world in which to live and raise our children.

We should expect some employee disaffection. It is normal. But 65 percent reflects a problem. It is in the best interests of business to change this, and you own the power to make change, because you see and work alongside your employees at least five days a week.

How can you change your organization's culture from one of greed and self-interest to one of productivity and growth? Start by listening to your workers. Conduct surveys to ferret out root causes of unhappiness. (Remember, however, that they are not the be-all and end-all of employee communications.) Talk to employees and customers, (as they also become disaffected from business). Listen to them and hear what they are saying.

Listen to the rumors—they often reflect more truth than not. Employees are usually unhappy because business leaders do not meet their emotional and psychological needs, not only because of their pay (although fair pay and benefits must be a factor in success). Leaders who don't lead with the heart and who don't work diligently to make the workplace, the marketplace, and their communities better produce short-term results measured by revenues. This is a fact that cannot be ignored: Even the best leaders, more often than not, pay more attention to the bottom line than they do to the needs of people.

This tunnel vision results in turnover, less-than-great products and services, short-term increases in productivity followed by downturns in productivity and performance, burnout, resentment, frustration. It builds a wall between business and the public. In the long term, this negatively affects profits and leads to losses in the billions of dollars, creating a new downward spiral reflected in downsizing, cost-cutting, and employee backlash when the economy picks up again.

### ***Barriers to Success***

You might think you fall into a different category, one more akin to my experiences and the tens of millions of us who have the guts, know-how, and vision but limited time or financial wherewithal. Don't use your limited resources as an excuse. What if the great business visionaries had feared success and set their sights on the nearest targets? Starbucks Chairman Howard Schultz received several hundred no's before he raised his first dollar. And he found the time—as did those he hired—to not only think big but walk big. All along their journey, they kept people at the center of their business goals and values. People became the foundation of their business model.

Throughout America, business people, including entrepreneurs, achieve their dreams, and still find time to give back. I believe anyone can do it if they have the will and the attitude and don't

create businesses whose sole purpose is to make money. Lack of will and a never-say-die attitude represent the only barriers to success for those of you capable of dreaming the big business dream and those of you with the know-how or the willingness to hire the know-how to make it happen.

And therein lies some good news: You don't need to know it all. The one who believe they do become micromanagers who lower productivity, instead of leaders who inspire success.

Hire and outsource for success. Build a business culture for success. Plan for success. Execute for success. And lead with the heart for success, backed up by a great CFO or CPA who keeps an eye on the bottom line.

Got the picture?

The foundation of success is a mixture of values, ethics, and a great passion to grow your business in ways that make the world a better place. If money is your first priority, the only way you will succeed is if your only measure of success comes in the form of government-issued paper.

### *The Greatest Balancing Act on Earth*

In the final analysis, the picture looks something like this:



That's right! As business people, you must become expert at balancing the needs of your business with your personal needs, your employees' needs, your shareholders' needs, your customers' and clients' needs, your family's needs, and your friends' needs.

Your values must lead you to build not only shareholder value, but also employee value, self-value, community value, and world value. Then and only then, I believe, can you begin to live the big business dream of becoming a great company.

### ***Practical and Tactical Advice***

For another perspective on what this new business model is about, take note of these notes from Stephen R. Covey's *The 8th Habit: From Effectiveness to Greatness*,<sup>viii</sup> which should make clear to you who embraces leading with the heart. If you work the following into your business, you will be well on your way to a paradigm that embraces management that lets you ***Lead With Your Heart***.

- ✚ Find your voice and inspire others to do the same.
- ✚ Find your voice in work that uses your talents, addresses your passion, and makes a difference in the world that is important to you.
- ✚ Practice leadership.
- ✚ Live, love, learn, contribute, and find meaning.
- ✚ Base your life on things such as fairness, kindness, respect, dignity, honesty, integrity, service, and giving.
- ✚ Be visionary, be disciplined, and be passionate.
- ✚ Be trustworthy and credibly.
- ✚ Model, show the way, align, and empower.
- ✚ Be a servant-leader.

### ***Points to Ponder***<sup>1</sup>

- ✚ This book is about change. It is about an environment where business leaders lead with the heart and thereby changing the world in good and right ways.
- ✚ Be the change you wish to see in the world. Lead with your heart. Strive to create happiness for yourself and those you touch. Approach your mission with love, passion, commitment, and dedication. At the end of the day, measure success by the amount of happiness you leave in your wake. If you do, profits will be good.

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<sup>1</sup> Throughout you will find Points to Ponder. They feature passages throughout each Chapter that review the key points.

- ✚ Hard work, structure, planning, and fiscal responsibility can be combined with happiness and wealth for all, without sacrificing the bottom line.
- ✚ It is not about being average and it is not supportive of mediocrity or pain. It is about being the best you and your business can be.
- ✚ How many business people have the guts, know-how, vision, time, and financial wherewithal to create success, to lead with the heart, and to achieve a clear yet far-away vision?
- ✚ Lack of will and a never-say-die attitude represent the only barriers to success for those of you capable of dreaming the big business dream and those of you with the know-how, or the willingness to hire the know-how, to make it happen.
- ✚ Forming the foundation of success are values, ethics, and a great passion to grow your business in ways that make the world a better place.
- ✚ Your values must lead you to build not only shareholder value, but also employee value, self-value, community value, and world value. Only then can you begin to live the big business dream of becoming a great company.

## ***Blastoff!***

If you think you are up to it, read on. If not... well, you already paid for the book, you might as well read on, too. You never know. You might be better at this than you think, and I am about to share information that should make this balancing act much easier.

My best advice—read on. Who knows? Your business may become the next Starbucks or Microsoft or GE. If you believe in yourself and your business, all things are possible. If nothing else, I guarantee you will find something within these pages to improve your business and maybe yourself.

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<sup>1</sup> A caveat: Evidence that stock options enhance organizational performance is in short supply. An examination of some 220 studies published in a 2003 Academy of Management Journal says that equity ownership had no consistent effects on financial performance. Another study on executive compensation published in the Summer 2002 issue of The University of Chicago Law Review reported that stock options meant to align managerial and stockholder interests failed; these packages simply enriched senior managers because they received most of the stock options.<sup>1</sup> That said, I don't believe that stock options are a bad thing: It is the system that needs fixing and our goals should be not to make anyone wealthy but instead to add a benefit that can be used for a variety of purposes. At Starbucks, partners who made a modest salary used their stock options to make down payments on houses; to buy cars and motorcycles; for retirement, and for a variety of other reasons. What we need to fix is the extent to which we compensate executives, and the expectations that the more stock options they receive the better stockholder value, top line revenues and bottom line income will be. There is little evidence to support that line of thought. We want to offer stock options to those who show entrepreneurial spirit, innovation, great productivity and an ability to contribute to our short- and long-term goals. A system designed around those premises will work, I believe.

<sup>ii</sup> Built to Last, HarperBusiness, a division of Harper-Collins Publishers, hardcover edition 1994, first paperback edition 1997.

<sup>iii</sup> Winning, Jack Welch with Suzy Welch, HarperBusiness, ©2005.

<sup>iv</sup> Good to Great, Jim Collins, ©2001, HarperCollins Publishers, Inc.

<sup>v</sup> Ibid.

<sup>vi</sup> "Sikorsky Strike: Universal Struggle," Dan Haar, The Hartford Courant, March 12, 2006.

<sup>vii</sup> "Marketing Malpractice: The Cause and the Cure," Harvard Business Review, Vol. 83, No. 12, December 2005.

<sup>viii</sup> 2004 Free Press. These notes are provided by fellow business person and writer, Chris Amoroso,