

LMI Journal



Provided by Magdy Mahmoud, Everest Leadership Group

110 Squire Hill Road, Montclair, NJ, 07043, (973)650-2009, Email: magdy7000@gmail.com, www.everestleadership.com

A Case Study Featuring Dunkin' Brands National DCP

The Company...

The Dunkin' Brands National DCP is a franchise-owned supply chain entity developed to provide support to Dunkin' Brands franchise owners. Dunkin' Brands include chain supplies such as Dunkin' Donuts, Baskin Robbins, and Togo's Eateries. The National DCP is the first nationalized supply chain partner to offer ownership benefits and physical distribution responsibilities as well as the standard purchasing and service functions. During a 12-month period, the center manages approximately \$1 billion in supply chain purchases, programs, technology, and services. Chief Executive Officer, Bryan Hartnett, joined the regional Dunkin' Donuts Northeast Distribution Center in 1990 as controller. Over the next 16 years, Bryan climbed the corporate ladder by establishing himself as a determined leader who was not only committed to reaching new heights of success for the company, but also to creating a culture that employees would find rewarding. Since his first year at the NE Distribution Center, sales have increased from \$58 million to the current level of \$550 million. Bryan Hartnett has always believed in people development as a foundation to maintain success. During his career, he has proven to be a successful business builder, and when he became the CEO of the National DCP in 2005, he brought with him hefty goals for the corporation and fulfilling challenges for all employees.

The Challenge...

Dunkin' Donuts Northeast Distribution Center was founded by 250 Dunkin' Donuts franchisees in 1982. Over the years, the center was profitable and constantly growing. As the leader of the company, Bryan Hartnett was committed to carry on the center's success by raising the bar to achieve consistent and sustainable results. He had big ideas that required direction, structure, and a plan of action in order for them to be realized. Bryan understood that to be



Bryan Hartnett (center) accepts the honor of LMI Client of the Year with LMI Franchisee Marc Wey (left) and LMI President David Byrd (right).

an effective leader in the industry, you had to be one step ahead of your competitors to maintain a solid growth curve. Bryan also recognized that if you provided the tools and resources for your team, they could accomplish the challenging performance goals set by the organization. Bryan's main objective was to create a unified team and identify critical initiatives to sustain the center's progress. In April 2002, LMI Partner, Marc Wey, introduced Bryan to the LMI Process. At that time, the distribution center was providing service to 1,400 stores with a goal to serve an additional 600 stores across the New England area. To accommodate the additional employees and departments needed to support the expansion goals, the center would require moving to a larger facility. Marc suggested beginning the LMI Process by involving Bryan and the upper management team in developing the center's vision statement. Bryan agreed, but this would only be the

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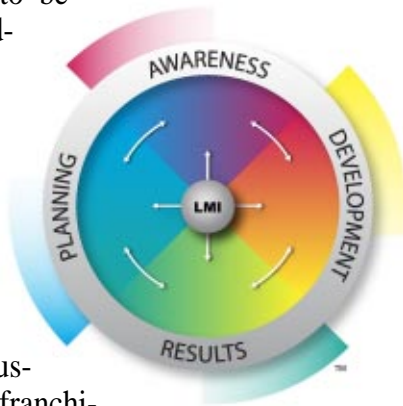
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first step: he wanted to provide leadership development and coaching to enhance performance goals for the entire organization.

The LMI Process™...

In phase one of the LMI Process Bryan and his top management team participated in Effective Personal Productivity. As a result of the EPP process, the team developed a vision: “to become the most outstanding member-owned distribution center in North America.”

The EPP helped define SMART goals which included a “best in class” objective in the areas of financial performance, customer service to the franchisees, and use of technology and operational excellence. Bryan committed to investing in the professional development for all the company’s managers and supervisors. Soon following the effective results of the EPP, 20 managers and supervisors enrolled in Effective Supervisory Management. The outcome contributed to a clear focus of identifying high pay off activities and managing top priorities. Significant results were immediately evident. As part of the “best in class” goal, the management team successfully reduced the average call answering time from 90 seconds to 24 seconds. Next, they launched a project to improve the customer’s experience emphasizing communication, accountability and accessibility between the distribution center and the franchisees. Bryan led the development of an information technology department designed to identify cutting edge systems that would offer a competitive advantage to the franchisees. The new department soon created an internet-based service platform, with 24-hour support and service, that allowed franchisees to place orders on-line for all of their retail needs. Next, a marketing department evolved to ensure effective and consistent communication with the franchise community as well as employees internally. Following the model of the LMI Strategic Development Process, the ESM was implemented to a variety of management and supervisory levels throughout the organization, all of which produced substantial results.



“The LMI Process enabled the Dunkin’ Donuts Distribution Center to focus on a few clearly defined priorities and to monitor progress through quarterly review meetings.”

— Marc Wey, LMI Partner

ter is on track to achieve the corporate goal to serve 5,000 stores in 24 states, with revenues of more than \$900 million by 2007. Bryan says, “The LMI Process will continue to support this exciting adventure for the future of our organization.”

“I believe in creating an environment in which people are passionate about their careers and professional development. LMI has been a part of helping us establish this environment.”

— Bryan Hartnett, CEO
Dunkin’ Brands National DCP



The Difference...

Bryan Hartnett has created an atmosphere where employees can experience rewarding and innovative work by reaching different markets and discovering new technologies and products. The company now serves over 2,200 stores in New England and upstate New York, with 90 percent of those stores using the internet platform, and producing revenue of \$550 million. A new health care program was introduced, offering affordable health care to franchisees and their employees. There are many incentives in place to build morale and synergy from his team, including a positive culture in the new 410,000 square foot, state-of-the-art facility. The move to the new warehouse with office space and training center was accomplished without any disruption to the twice-a-week delivery schedule in part due to the addition of 200 warehouse employees and drivers, previously employed through a subcontractor. Quarterly initiatives meetings are held to narrow the focus of the management team on the most critical issues. The distribution center provides on-going personal coaching, leadership development sessions, customer service workshops, and company-wide communication meetings at Gillette Stadium, home of the world-champion New England Patriots.

In early 2005, the Northeast Distribution Center participated with three other independent distribution centers to establish a National Distribution operation to support the Dunkin’ Brands corporate goal of doubling the number of stores in the country. Having invested in the right tools and developing a clear vision, the center is on track to achieve the corporate goal to serve 5,000 stores in 24 states, with revenues of more than \$900 million by 2007. Bryan says, “The LMI Process will continue to support this exciting adventure for the future of our organization.”

Empowering Other People

Empowering other people is the key to increasing productivity to achieve the goals of your business. A well-planned, continuous training program is one of the most effective ways to motivate and empower team members and to achieve improved results through their activities.

Whether you call it orientation, development, or training, a comprehensive program for helping people use more of their potential to do their best on their jobs is vital to their success, to the success of the business, and ultimately to your success as a leader.

To increase the productivity of team members, provide new ones with careful training, close direction, and encouraging guidance. Provide all team members with continuing opportunities for training, retraining, and cross-training.

As those you lead develop new skills and talents, and as new people come into your group, consider reassigning some duties so that workers can always use their best skills. Match team members to jobs. Ambitious people eagerly looking for increased responsibility and higher compensation should be given duties offering those opportunities. When those you lead learn new skills and new procedures, they are worth more to you and to the organization. When they experience improved productivity, their self-confidence and self-motivation increase and you enjoy the satisfaction that accompanies empowerment.

The Power of Courage



David Byrd
President, LMI

Courage comes in different packages. There is *physical* courage that is demonstrated, as example, by our armed forces personnel and by athletes engaged in the various contact sports. There is also *intellectual* courage exhibited by thought provoking authors who challenge us to look at issues from a different or unpopular position. While there are many different types of courage, the one most important type of courage to a leader is *emotional* courage.

Personal success will always be just beyond the grasp of those who do not develop the power of emotional courage. Here are several statements to consider about emotional courage:

- ◆ Emotional courage picks you up when you fail .
 - ◆ Emotional courage keeps you acting on your goals regardless of circumstances or what other people say, think, or do.
 - ◆ Emotional courage brings stability and security to your business and your home.
 - ◆ Emotional courage takes calculated risks at the right time.
 - ◆ Emotional courage is the fuel for the fires of positive expectancy.
 - ◆ Emotional courage dares to dream.
 - ◆ Emotional courage is contagious.
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- “Emotional courage is the foundational perspective for the effective leader.”*
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- ◆ Emotional courage stands tall with optimism when everyone else is losing theirs.
 - ◆ Emotional courage faces its “blind spot” and says “I can improve.”
 - ◆ Emotional courage faces fears daily with an “I will win” attitude.
 - ◆ Emotional courage never wastes time placing blame, because it sustains itself with personal accountability.

You can probably tell from these passionate statements about this subject why I believe it to be the most important ingredient in personal power for the leader.

The word encourage comes from the Latin derivative which means to “put courage into” someone. When you encourage others you are sharing your emotional courage. That's why I always say that it takes courage to be an encourager.

The interesting thing about emotional courage is that you either have it or you don't. Emotional courage is the foundational perspective for the effective leader. The only way to get it is to develop it, because we do not naturally possess this quality. None of us were born with the quality of emotional courage. The quality of emotional courage must be developed. Set a goal today to begin developing the vital leadership quality of emotional courage! If you would like future information about emotional courage, email me at dbyrd@lmi-usa.com.

With Positive Expectancy,

David Byrd

President, Leadership Management Institute™

Bringing Out the Best in Team Members

Maintaining a motivational climate sets the scene for maximizing the talents and abilities of the individuals who compose the organization. People who are motivated, who maintain a positive attitude toward the organization and their role in it, and who are enthusiastic about their work look for opportunities to grow and develop. They want to grow in personal effectiveness, in career standing, and in job productivity. The most effective impact a leader can make on the “bottom line” – the place where all productive effort must eventually be evaluated – comes through helping team members develop and utilize more of their full potential.

People grow personally and gain in productivity in a climate conducive to personal and professional development. Growth is further accelerated in a work environment that offers the freedom to try new ideas, to fail and try again, and to learn from experience. Individual team member results are maximized through intelligent supportive leadership.

Discovering everyone’s best qualities can be a complicated process. Talents and abilities are sometimes unrecognized even by one who possesses them. Develop a variety of techniques for discovering individual strengths:

Tests. Some qualities can be measured by tests, but others can be discovered only in practice. For example, a test can show whether prospective administrative assistants can spell, but not whether they will be at work on time every day. A performance test can show whether machinists can correctly set up and operate a drill press, but not whether they will consistently remember to wear safety glasses. It is fairly easy to test objective knowledge and skills, but much more difficult to test such intangibles as attitudes, judgment, and motivation. Tests are valuable in identifying individuals with the foundation or training needed as a starting place for development of the special skills required by the organization. Tests, however, must be clearly designed to produce specific information, and they must be given and interpreted by a qualified administrator.

Interview. An employment interview is just the first of many possible interviews. Asking questions about job experience is an excellent tool for discovering what a person does best and enjoys most, as well as what new skills that individual might be able to learn. Periodic performance reviews are excellent opportunities for finding out

more about people, inquiring about their desire for advancement, and hearing their ideas. Reviews indicate the direction of the team member’s personal development. Informed, perceptive listening is the key to learning about people. Interviews may range from a few odd minutes standing in the hallway to a structured meeting discussing a current project.

Observation. The most accurate tool for discovering the true qualities of people is observation. Watch what people choose to do first, which items are always completed on time, and which ones are always late. Notice what causes



one person’s eyes to light up with interest while others groan audibly. See what people do with pride and care, and notice which projects are thrown hurriedly together. Observe personal interactions to identify natural leaders. Using each person’s leadership potential may call for some reorganization. It may demand reshuffling duties, areas of authority, and accountability. Some individuals

will initially dislike the changes that trickle throughout the organizational structure when such realignment takes place, but the final result is profit – profit through more productive people, through systems that operate more smoothly, and through bottom-line impact.

Training for Growth and Renewal

Even though a team member has been selected and initial orientation provided, the task of training has just begun. People – like their attitudes, skills, and interests – are never static. They either grow and develop or stagnate and deteriorate. A person who is productive today will be producing substandard work five years from now unless regular and continuous learning takes place. This is true for people at every level of the organization.

As a leader of a learning organization, you have the responsibility to provide adequate training for continuous improvement in these areas: • *Knowledge and skills.* Every field is changing. New methods, ideologies, and approaches are being developed daily. Be sure training addresses new knowledge and skills. • *Personal effectiveness.* Time management, communication, and goal setting are personal effectiveness skills that can be sharpened by appropriate training.

A systematic training program brings several benefits to the organization. Well-trained, knowledgeable people are always available for needed tasks. Morale remains high because people know they are appreciated and considered valuable to the organization. And, individuals become more productive – personally and as a group.

Motivating People to Produce

People in leadership positions often speak of the need to “motivate” people, meaning that you do something to get them to work harder. In one sense, no one ever “motivates” anyone else. Real motivation is internal; it comes only from within. But with a better understanding of the principles of human motivation – the desires and situations that move people to action – you, as a team leader, can create a climate that encourages the development of motivation and maximizes individual and team performance.

Self-motivation does not develop in a vacuum; rather, it is generated in the context of a comprehensive, continuous training and development program. When your team members experience the exhilaration of improving their skills and abilities, their self-motivation increases. In turn, they desire to grow and develop as individuals. A comprehensive training and development program is the foundation for improving the self-motivation, and thus the overall productivity of your organization.

An “exchange system” – the mutual giving and receiving of effort and benefit – supports a climate for maximum motivation. The exchange system establishes a relationship in which each contributes something to satisfy the needs of the other. The organization’s requirements for effort and productivity are met by team leaders and team members. In turn, the needs of team leaders and members are met by the organization. This fair exchange between an organization and all its people is as old as organized society.

When you and your team members develop success attitudes to both improve on-the-job performance and increase work satisfaction, you are using the exchange system at its best. People act to gain a benefit or to avoid a loss. Because understanding and insight precede change, talk to your team members and listen to them to find out their needs and ambitions. Understanding what benefits they seek to gain and what losses they desire to avoid enables you to improve on-the-job performance and increase work satisfaction even more.

Developing a Motivation Plan

If 20 people report to you, you need 20 motivation plans. Since motivation depends on individual needs and is developed internally, any effort you make to encourage

the development of motivation must be done on an individual basis.

How well do you know the people you count on to get your work done? Could you read the list of names and say with certainty what each person needs to be better satisfied on the job? Resist the temptation to say, “They all want a raise.” Of course, not one in a thousand would turn down a raise, but some employees might be less satisfied after the raise – not better satisfied. To be self-motivated, people must feel worthwhile and productive. A raise is not a motivator when it is awarded merely because the employee has managed to stay on the payroll for another year. Such

a raise is seen as a function of the passing of time – not as an indication of individual merit. Use some of these techniques to encourage the development of self-motivation in employees who have a need to feel productive:

- ◆ Delegate a task, stating clearly your confidence that the individual can successfully accept this new responsibility.
- ◆ Take note of some action demonstrating initiative and express your appreciation for that action.
- ◆ Find ways to let the rest of the organization know who is doing a good job; post the name and/or picture of the person on a departmental bulletin board or print an accolade in the monthly newsletter.
- ◆ Make it a point to speak personally to those who have been absent as a result of illness or vacation. Tell them how glad you are to see them back and how their presence contributes value to you, the client, and the organization.
- ◆ Ask team members for their suggestions about how to solve problems that arise. Even though you cannot use all suggestions, you communicate respect when you ask for suggestions and seriously consider them.
- ◆ Learn about the families of your team members. Compliment them on the achievements of their children when you see reports in the newspaper, or inquire about the health of a family member who has been ill.
- ◆ Use visual reminders to build pride and cooperation among the members of the team. For example, if you are in sales, hang a poster that tells how many days the team has met or exceeded the sales quota. Update the graphic daily. Whatever the goal of the team is, a way to track progress can be devised which will encourage the development of self-motivation.



Boost Success with Positive Expectancy

There is a close correlation between personal leadership and a high degree of personal maturity. A mature attitude toward the world, toward other people, and most of all toward yourself produces positive expectancy. Skeptics often scoff at the idea of maintaining a positive mental attitude. They consider it a facade – a superficial role people assume to deceive themselves or others. A genuine positive mental attitude, however, is an expression of maturity that comes as the internal characteristics of personal leadership gradually unfold much as the petals of a bud open to form a beautiful rose. All together, these traits – self-awareness, self-confidence, self-acceptance, self-respect and self-reliance – reveal the full beauty of your inner being.

Positive expectancy begins with a sense of self-awareness that banishes confusion by defining the goals you want to achieve. Self-awareness gives you a track to run on. It makes you predictable and reliable. It allows you to use your talents and energies in the full expression of your potential. Positive expectancy requires a no-limitations belief in yourself that comes from clear, calm and honest self-confidence. Belief in yourself rests on supreme confidence in both your present and future abilities. It demands that you be goal directed and progressively growing. Positive expectancy gives you victory over the fears that might otherwise accompany recognition of personal inadequacies; doubts and fear itself are never allowed to take root. Self-confidence is power.

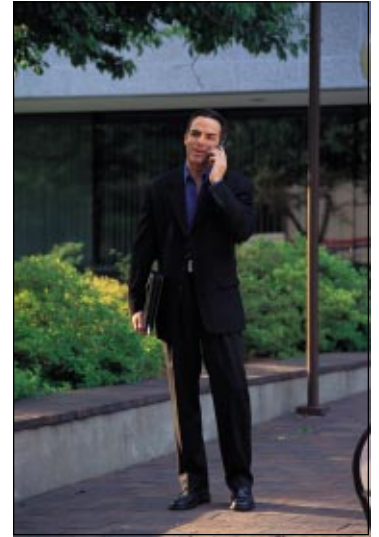
Positive expectancy is also developed through self-acceptance. Choosing to accept yourself as you really are – your strengths and your weaknesses, your assets and liabilities – is the most vital and important decision you will ever make. Self-acceptance frees you from guilt feelings and discouragement and gives you the energy and drive to grow and use more of your potential. You must accept yourself as you are now before you have any desire to grow. Setting goals and working out a “Plan of Action” help you identify and overcome natural fears. Fear is a completely normal and healthy emotion to experience when you face the unknown. You can deal productively with such fear by setting goals and using visualization. The goal-setting process helps you gain mastery over fear by antici-

pating problems and formulating readily available solutions. Fear, then, is a signal for purposeful action rather than a warning for defensive protection.

You gain additional personal maturity as you grow in the development of the leadership essentials. As you crystallize your thinking to learn where you stand now and where you are going, you grow in personal maturity and understanding of life. You put behind you the feelings of threat, fear, or apprehension. You respond instead of reacting to events, circumstances, and people because you have a clearly defined set of values and goals. Defining your priorities moves you in the direction of self-knowledge and personal leadership. You grow in self-respect when you commit yourself to high values and then live by them. You develop self-confidence by listing the obstacles and roadblocks to achievement and figuring out ways to overcome them. As you discover more of your own potential, you gain the confidence that makes you self-reliant and determined to succeed. The exercise of personal leadership increases your level of maturity and gives you positive expectancy toward life and the people who share it with you. You expect the best; and because you expect it, the best is yours.

Positive expectancy produces an effect that is often called the self-fulfilling prophecy. People tend to do what they are expected to do – and that includes what you expect of yourself. If you harbor doubts and fears and expect to continue making the mistakes of the past, you will surely do what you expect. On the other hand, when you set challenging goals and devise a workable plan for reaching them, you expect success and your expectation becomes a self-fulfilling prophecy. Success is yours. Be sure that you set your goals to reflect your true desires, for the goals you set predict what you will achieve.

As you develop your untapped potential and begin to expect more from yourself, you discover new depths of personal leadership. As you grow, others add their positive expectancy to your own and add to the upward spiral of achievement that marks your life.



“People tend to do what they are expected to do – and that includes what you expect of yourself... when you set challenging goals and devise a workable plan for reaching them, you expect success and your expectation becomes a self-fulfilling prophecy.”

Improving Your Ability to Communicate

One of the quickest and most powerful ways to grow personally and professionally is to improve your ability to communicate. Effective communication involves two methods of transmitting information:

- ▲ Writing, which includes handwritten notes, typed memos, letters, and E-mail
- ▲ Verbal communication, which utilizes the power of the “spoken word,” including sending the message (speaking the words) and receiving the message.

Improving your skills in both methods of transmitting information – writing and speaking – will enable you to use more of your potential, to develop skills and abilities that may have lain dormant, and to interface with people more effectively. Without good communication, you accomplish only what you can do alone, which inevitably is only a fraction of what you can do in joint effort with others.

Improving your communication skills will enable you as a team member to contribute even more to your work group, and ultimately to your organization’s success.

Communication is the ultimate human connection. It is the key to success! Improving your communication skills will provide you opportunities – and rewards – in your workplace and in your personal life far beyond what you could even imagine.

Essentials of Good Communication

Communication is the process of developing shared understanding. If only one side understands the message, communication has not taken place. Only when verbal, written, or physical messages are understood by both sender and receiver does communication actually occur.

What is required for communication to occur? First, someone must send the message. Second, someone must receive the message. Third, the best words must be chosen for relaying the message, and the best method for delivering these words must be selected. If one of these three elements is missing, communication cannot take place. For example, suppose you send a message, but no one receives it. Or, you may have a receiver and a message, but a poor sender. In either case, communication cannot take place. Alternatively, you may lack a message altogether.

“Without good communication, you accomplish only what you can do alone, which inevitably is only a fraction of what you can do in joint effort with others.”

Good communication assigns each element a unique role or responsibility. Good communication is defined as developing appropriate, shared understanding through verbal, written, or physical messages. The role of all three elements must be clearly defined:

- ▲ Sender: The role of the sender is clarity. The responsibility of the sender is to identify the goal of their message and to formulate it with words that best accomplish that goal.
- ▲ Receiver: The receiver’s role is to understand the message through careful listening, asking probing questions, or seeking detailed explanations. Unfortunately, the role of the receiver is often overlooked or minimized, but understanding the message is essential for effective communication.

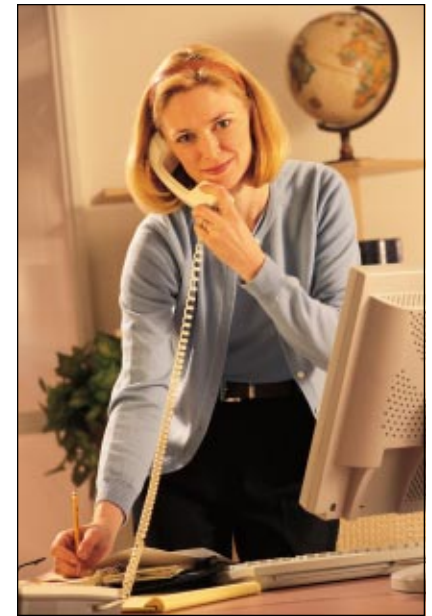
▲ Delivery method and choice of words: An appropriate, successful message embodies the right words and appropriate delivery. Often, the choice of words depends upon how the message is to be delivered.

Give close attention to the best words to use and the most satisfying delivery method for sending them.

Each of these three elements has a responsibility; when one of the elements gives up or fails that responsibility, communication breaks down. To be successful, or, in other words, to get the desired results, the message must be put together with thought and skill. In addition, the most appropriate delivery method for the particular message must be selected.

When you learn to use these three elements skillfully, you will earn untold benefits, including increased respect and understanding from others, improved relationships with coworkers, family, and friends, the satisfaction of doing your job better, and so on. Improved communication and success, of course, never come looking for you. You must work at becoming a better communicator.

Communication is important because you want people to act on your suggestions; you want to understand another person’s feelings and their situation; and you want to be understood. Communication is the ultimate method for conveying or securing information.



Bridging the Gap Between Potential and Performance

Since 1966, Leadership Management Institute™ has been bridging the gap between potential and performance by helping organizations and individuals evaluate their strengths and opportunities through implementation of the unique and proven LMI Process™.

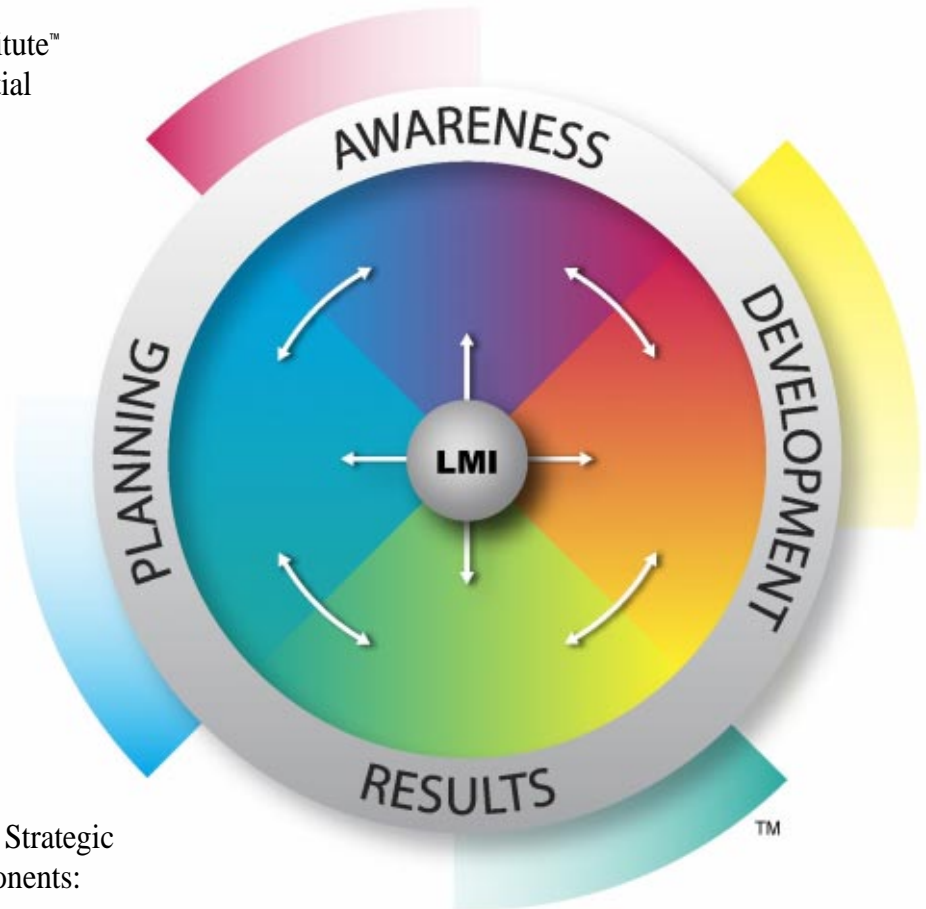
The LMI Process™ ...

- Develops leaders who, in turn, empower their people to use their untapped talents and abilities.
- Identifies key areas the organization should focus on in order to reach the next level of success.
- Gives direction to an effective solution and delivers measurable results.
- Practices a 93 percent effective leadership model.

The LMI Process™ is designed around a Strategic Development™ model with four vital components:

- Awareness
- Development
- Planning
- Results Management.

LMI® tools and processes have been making a difference in organizations and individuals for 40 years in more than 60 countries.



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To contact Leadership Management Institute, call 1-800-568-1241 or E-mail: info@lmi-usa.com.