

LMI Journal



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A Case Study Featuring Kopp Glass, Inc.

The Company...

For more than 80 years, Kopp Glass, Inc. has been the industry leader in the manufacturing of clear and colored pressed molded, blown, and precision glass for technical, industrial, and commercial applications. Their products are used everyday, all over the world. Kopp Glass provides supplies and service to the aircraft industry, medical field, military divisions, arts and theater, architectural designs, traffic and railroad signals, and many other industrial applications. The company's success begins with the unique glass science they have spent years defining. Kopp's tenure has earned them credibility, and their optical engineering expertise and ability to press glass that meets strict quality and tolerance requirements, define their many years of success. Mastering the skill of precision glass molding takes years of experience to acquire. Considered a leader in the industry, Kopp Glass employs second and third generation craftsmen who give the company the ability to meet this distinctive challenge. Robert Hand came to work for Kopp Glass in 2001 as Manufacturing Director. He could not predict that the long-time success of the company would soon be in jeopardy or that he would find himself leading the company, as CEO, through its darkest hour.

The Challenge...

September 11, 2001 had a sudden and detrimental impact on Kopp Glass. The company lost a significant portion of their business attributed to the decline in the airlines industry following 9/11. The decline resulted in a loss of cash reserves and elimination of dividend payments. Over the next two years, the company found itself in a downward spiral with an unrecoverable loss of revenue. To make

matters worse, the management team was in disarray and two long-time executive staff level positions had been eliminated. The company's direction was out of focus and the remaining staff feared the company would not overcome the recent losses and current obstacles it faced. With a successful 80-year track record to boast about, the employees at Kopp could have never imagined their company would be in this seemingly irreversible state. In 2003, Bob Hand was appointed as Kopp's new CEO. He was determined to pull the company out of the tailspin it had been in over the last 24 months. Bob knew that in order to recover some of the losses in revenue and reserves,

a solid turnaround plan had to be developed and implemented. Bob had always been considered a student and practitioner of organizational and personal development



Bob Hand of Kopp Glass, Inc. (second from left) is honored as a LMI Client of the Year in 2006; pictured with him (from left to right) Clark Walter, John Gray and LMI President David Byrd.

"Our success is a work in progress. We continue to apply the tools of the LMI Process on a daily basis."

– Robert Hand, CEO, Kopp Glass, Inc.

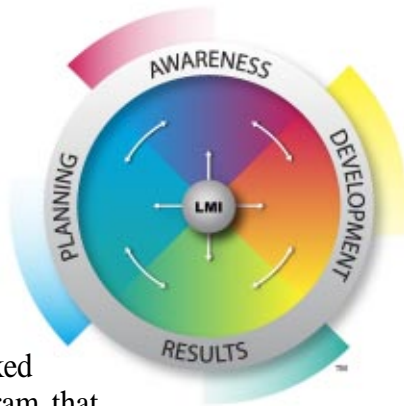
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and he recalled the former CEO participating in a process a few years earlier that had proven to be beneficial at the time. LMI Partner, Clark Walter had facilitated the process then, and now Bob looked to him for support and direction. They determined that developing a strategic plan, involving Bob and many other key positions in the company, was critical in regaining losses and securing the future. Bob was ready to get started, because the alternative was not an option.

The LMI Process™...

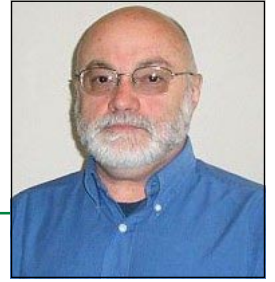
In April of 2003, Bob and the executive team worked with Clark, and another LMI Partner, John Gray, in Organizational Strategic Analysis. They embarked on a turnaround program that entailed regaining financial stability through cost reduction, increased productivity and sales, and higher profit margins. Using the tools of the LMI Process, Kopp established a strategic plan that first determined the company's position in the market place— its strengths and weaknesses, and threats and opportunities. As a result, a set of performance metrics was developed and centered on a key metric of productivity as measured by the output of the glass-pressing department. A production goal in the glass-pressing department was defined to increase the \$850 per hour average to \$1,200 per hour. Practicing the LMI concept, "what matters most", Bob and his executive team focused on changing production practices and eliminating products that were not contributing to the glass-pressing standard goal. A number of sales, production, and quality initiatives were developed and directed at improving this key productivity measurement. Next, Effective Personal Productivity was implemented to quality control managers, manufacturing and accounting supervisors, sales, engineering, and operations managers.

As a result, a team was formed to develop a procedure for evaluating the profitability of loss leader products. The results of their first project increased the contribution of a product over \$300 per hour. Within months of executing the plan, Kopp Glass was operating at a break-even level. Less than 12 months later, Kopp's sales increased by 18 percent,



“The LMI Process has provided a framework for the incorporation of continuous strategic planning for Kopp Glass.”

— Robert Hand, CEO,
Kopp Glass, Inc.



generating the company's first profit in three years. Through the efforts of a strong leader and a dedicated staff, the downward spiral had been halted, and Kopp Glass had survived the fall.

The Difference...

Kopp Glass has seen many results since beginning the LMI Process. In a two year period, overall sales increased 28 percent to \$12.9 million and profits rose 7 percent. By 2005, the measurement of productivity grew by 28 percent. John Gray and Clark Walter continue to coach and mentor Bob in the development and implementation of every aspect of the on-going plan. The development of the overall strategy, initiatives, and execution of the strategic plan are based upon "what matters most" thinking and defining SMART goals. LMI concepts and principles were further introduced in 2005 and the executive staff continues to participate in leadership development, goal-setting and time management training. The increase in sales and profits, as well as continual development, guided Kopp through another cost impact crisis due to the rising cost of natural gas. Applying the tools acquired in the process, they managed to remain

profitable. Kopp Glass is an example of how a small American manufacturing company, using centuries-old technology, can survive in the global marketplace. Through the establishment of specific, measurable, attainable, realistic, and tangible goals, Kopp survived a dire time in its history. Kopp has also embarked on a strategy that will continually examine its place in

the market, allowing the company to make timely decisions on new products and processes meanwhile controlling costs. Clark Walter says, "Bob's belief in the unlimited potential of people has been a driving force in the return to profitability that Kopp Glass has enjoyed."

“Bob Hand communicates clearly and simply. His ‘yes’ means ‘yes’ and his ‘no’ means ‘no’. He uses two words when two words will do. His clarity is his power.”

— John Gray, LMI Partner

Your Freedom to Make Choices

You may lead a rich, full life or a shallow, empty existence. But whatever you gain from life is largely a matter of choice – your choice. You are free to choose whatever you want to do or to be. Your greatest power is the power to choose your own destiny. The reality of the power that comes from your freedom of choice becomes evident when you understand the unalterable principles under which this freedom works.

Choice is a talent that must be developed. The power of choice can be developed. If you are reluctant to make choices and decisions because you fear failure, you may choose to play it safe and miss experiences that could lead to making better choices. Good decisions are based on prior decisions.

You must choose for yourself. Because no two people are exactly alike, no one can make a completely satisfactory choice for someone else. When you allow others to make your choices, you hand over to them your destiny and rob yourself of your birthright.

The choice determines the consequences. You may select any action you choose, but once you make a choice, you must accept the consequences. You can use your freedom of choice to make whatever changes of habit or attitudes are necessary for developing personal leadership and self-motivation.

Give your choices time to yield results. Today's habits are the result of choices made long ago. Tomorrow's habits will be the result of the choices you make today.

The Power of Expectancy



David Byrd
President, LMI

What is the key ingredient in the LMI concept and process that is easy to understand and talk about but so very difficult to execute? I know that many of you already have the answer and some are still thinking. Since I can't measure the speed of response, I'll go ahead and tell you what I think it is. I believe the answer is *Positive Mental Attitude*.

Over the years through all the academic vocabulary developed around organizational development and also the qualifying input from human resources professionals, we have downgraded the value and almost lost the impact of positive thinking. I've even been told that the use of the phrase is passé and simple minded as an industry standard. Well, I've been around long enough to appreciate simplicity and also understand that "everything old usually returns to being new again."

When we develop the attitude of *positive expectancy*, we set the base line for our long-term achievements. Our attitudes are simply the habits of our thoughts. Ask yourself these questions. Now, these questions require some deep self analysis and soul searching and that is difficult for most of us. But, "no pain no gain." Here are several questions for you to think about:

- ◆ What are the habits of my thinking?
- ◆ Am I generally positive or negative?
- ◆ Do I expect to succeed or fail?
- ◆ Do I seek to support or criticize?
- ◆ Do I seek to praise or find fault?
- ◆ Do I focus on my strengths or seek to hide my weaknesses?
- ◆ Do I seek to learn from my mistakes or be defensive about my perfection?
- ◆ Do I expect the best or the worst?
- ◆ Do I seek to build others up or tear them down?

"...everything old usually returns to being new again."

This list of questions can go on forever because every thought you entertain during the day is either positive or negative. Being neutral is usually negative in a tuxedo. Your thoughts either energize or drain your vital emotions. There is no in-between! Look at nature; everything is either growing or decaying, there is no in between. Remember, positive thinking and expectancy are the keys to effective leadership. We are all products of our own thoughts. Our client's success depends on it. "We will rise or fall to the quality of our thinking and expectancy."

With Positive Expectancy,

David Byrd

President, Leadership Management Institute™

Using Power and Authority Effectively

Empowerment of people is the overall goal of leaders within organizations today. Far from being a fad, empowerment of workers at all levels is a means of coping with challenges and problems. Empowerment means not so much giving people power but recognizing the power they have and unleashing it to help the organization operate more effectively. To maximize empowerment of people, many of the traditional principles of power and authority are as applicable as they ever were.

Authority and power are so closely allied that it is difficult to discuss one without also discussing the other. Leadership authority is often difficult to define precisely, but this definition fits most situations: *Authority is the right vested in a position to accomplish the goals of the organization through supervision of the time and effort of other people, and the enhancement of organizational productivity through motivation.*

Authority, then, implies that you have a right to direct the activities of the group. Power, on the other hand, is based on the relationship leaders typically develop with the members of their team: *Power is influence, derived from the respect and trust developed by an individual, and is based on relationships developed with others.*

From the dawn of recorded history, the right to exercise authority has been tied to ownership – ownership of land, property, or the means of production. Authority derived from ownership is delegated to leaders with the expectation that they will use that authority to further the interests of the owner. Thus, authority is inherent in your role as a leader.

Authority's companion is power. No matter how much authority top leadership delegates to you, the ability to enforce that authority comes essentially from you. No one else can give you that ability – it comes from within. That ability is what we call power. While power can be withheld or prevented by top leadership – or even by a union contract – it cannot be automatically granted by executive order or via e-mail. It is possible for leaders to have authority because of their title but to lack any real power to exercise it. Lack of power may be a result of the leader's own personal qualities, or waning influence may stem from unrealistic constraints imposed by top leadership.

Power is built over a period of time through multiple complex actions and reactions between you and your team members. It is primarily a function of your personal competence and credibility. While power is sometimes tenuous and fluctuating, it does tend to grow and stabilize as you demonstrate your integrity in its use.

Power and authority are extremely important because they provide you with a practical means for achieving organizational goals through leading the effort and productivity of other people.

Making the Most of Power and Authority

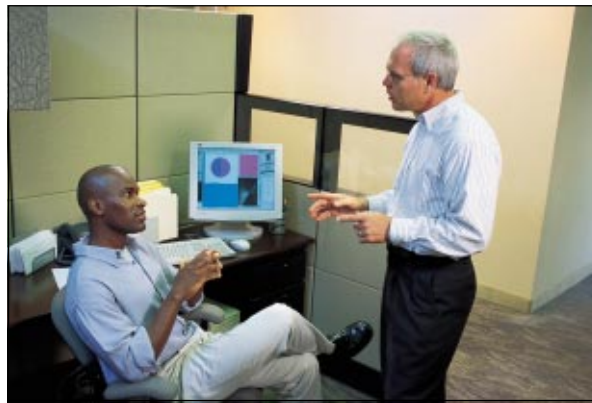
To increase your effectiveness as a leader and to increase the resources available to you in your position within the organization, make the most of your power and authority.

The goals you are pursuing in the career area of life are highly important, and they are advanced through the authority and power you exercise. Be sure that your career goals include specific goals for personal growth and development. Authority and power are derived directly from your personality and competence, and are enhanced by your personal growth.

Authority and power, wisely used, are never dissipated. They are enhanced by practice and personal growth. A leader who uses authority and power skillfully finds that team members are less likely to resort to personal power plays or to develop opposing blocks of power. Instead, team members are motivated to work cooperatively with others.

Both authority and power are most effective when they are least evident. In fact, authority has failed when power must be used to enforce it. When your authority is respected and fully recognized, you are able to function without invoking the use of power. You can, by your authority, give a direct order; but if, instead, you make a request accompanied by an explanation, you build a reserve of goodwill and respect. Team members then feel inclined to follow your suggestions and honor your requests without the need for an overt exercise of your authority.

The best use of authority and power is to use them to motivate team members and help them grow. Your authority gives you the right to work with people in ways that will enhance their contribution to the organization as a whole, while your power enlists their cooperation. As you help team members identify their own personal goals, you can demonstrate to them that increasing their productivity will enable them to move closer to their personal objectives.



Improving Results Through Better Time Management

Your success as an effective team leader and coach requires a wide range of skills, but one of the most important is how you manage your time. The effectiveness of the activities in each hour of the day – not the number of hours you work – determines the results you and your work group accomplish.

Maximizing Time Use

Becoming more aware of the need for more effective time management is the first step toward maximizing time use. Develop creative ideas that fit your own job situation. These basic strategies can benefit everyone:

■ *Control accessibility to you.* When you have important work to do, close your office door to discourage interruptions. The “open door” concept means only that people should be able to get your help – to “open your door” – when necessary. But an office door standing open invites people to stop and chat for a moment. If it is closed, they assume you are busy and think no more about it. Many leaders work in modular work stations or other open areas, so a closed door is not possible. Find a system that works in your situation to set boundaries yet provide reasonable accessibility. An additional technique is to simply tell people the times you prefer to be available to them and the times you prefer to spend on other work.

■ *Make “appointments” with yourself for completing your work.* Block off appropriate time periods on your calendar and consider them “appointments” to do important work. Protect this time just as you would a meeting with the person you report to or an appointment with an important client. Callers may be told that you are not available but will return their calls after a certain time.

■ *Control interruptions caused by telephone, e-mail, and fax.* If you have a receptionist or assistant who answers your telephone, ask this person to hold your calls and give your messages to you all at one time. Reserve a particular time during the morning and again during the afternoon to return all telephone calls. If you have a person to answer your telephone, teach this individual how to recognize important calls that should be put through immediately and how to handle other callers politely and still protect your time. If you answer your own line, do not let it control you. Allow your voice mail or answering machine to pick up if you are in the middle of focused work; you can return the calls when you come to a more convenient stopping point. Using e-mail or faxes may also minimize time spent on the telephone.

Avoid the temptation to respond to e-mail, faxes, or voice mail as soon as you know about them. Your telephone, faxes, and e-mail are tools to help you reach your business goals; use them to your advantage.

■ *Keep the time required for meetings to a minimum.* Consider using a meeting planner for the best use of time spent in meetings. For each meeting, send out information on the agenda

ahead of time so people will come prepared. Invite only those who actually need to be present to achieve the purpose of the meeting. Send others a copy of the minutes or a memo and do not waste their time by asking them to attend. Start meetings on time, and stop them on time. If more time is needed on important issues, set a date for another meeting. Ignore late arrivals as much as possible, and keep the meeting progressing. When attending meetings run by others, be sure to know the agenda in advance so you are prepared to contribute appropriately.

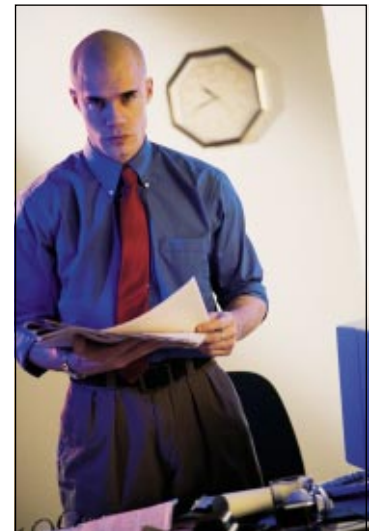
■ *Focus conversations on actions and results.* While friendliness is important, there is wisdom in keeping conversations short. Focus on actions, not on philosophizing and socializing. Self-control in conversations prevents counterproductive excuse making, self-pity, gossip, “paralysis of analysis,” or criticism. There is power in being brief.

■ *Cut out unnecessary paperwork and e-mail.* Make memos, letters, and e-mail concise, to the point, and clear. Use written methods of communication only when a written record is needed or whenever you consider them the most effective method to communicate in a particular situation. Handle paper flow efficiently. Set a goal to handle each piece of paper only once. If you have an assistant, dictate or write an answer, attach a note on how to handle it, send it to the file, or read and discard it. Place items that relate to specific projects, meetings, or later events in an appropriate follow-up file so they will be at hand when needed.

■ *Learn and use the principles of behavior modification:*

- Identify a behavior you want to adopt.
- Make a personal commitment to develop it.
- Plan small actions to practice using the new behavior.
- Choose ways to reward your success.
- Check progress regularly and make any necessary adjustments.

Improved time management offers one of the quickest, easiest, and most effective strategies for improving productivity and increasing results.



Designing Your Self-Motivation Program

Self-motivation is absolutely essential to the development of personal leadership and the achievement of success. If success is defined as the progressive realization of your own worthwhile, predetermined, personal goals, then goals also play a key role in motivation. In your quest for the development of personal leadership and success, you are looking for a way to motivate yourself toward greater creativity, responsibility, and productivity. Without a planned self-motivation program, you risk becoming one of those who have boundless energy, initiative, and interest in life, but never seem to be able to settle down long enough to achieve anything.

In designing your self-motivation program, it is important to understand the role played by automatic or basic needs in controlling desires. Five broad basic needs, first brought to general attention by Abraham Maslow, seem to be the universal motivators of human behavior:

❖ *Physical needs or biological requirements.* People seldom are conscious for any length of time of the primary physical needs such as the biological requirements for food, drink, air to breathe, and shelter from heat or cold. Remember, however, that these primitive needs are extremely important. Human beings will kill to get water, resort to cannibalism to avoid starving, or become frantic for air to breathe to avoid drowning. Physical needs are important because only when they are reasonably satisfied can we concentrate on meeting higher needs.

❖ *Safety or security needs.* Just as biological needs are rarely noticed, only in rare emergencies are safety needs obvious. Safety needs come disguised in subtle forms like the insistence on fair play, or a desire for the security of job tenure. But the only true security comes from your ideas, attitudes, and values. A job, a salary, and a title are only symbols of security. You may have them all and still feel insecure. Or you may lack all of them and still experience security. It is your attitude that counts.

❖ *Social or love needs.* The quest for social acceptance – for belonging, for association, for friendship and love – is the need that prompts you to want a bigger home, a bigger car, more expensive clothes, and added money as symbols of social acceptance. The social needs also include the desire to belong to certain groups.

❖ *Ego or esteem needs.* Closely associated with the need for



social acceptance is the need for self-acceptance, or ego and self-esteem need. In fact, the need for self-acceptance is largely the inward basis of the more easily observed outward need for social acceptance. The basic reasoning seems to be that acceptance by others proves that you have chosen a worthwhile value system and that your actions are to be trusted. As a result, you feel a confirmation of your sense of personal worth. Considered in this light, the needs for both social acceptance and self-respect are obviously internally motivated.

❖ *Self-actualization or self-fulfillment needs.* Self-fulfillment needs spark the search for continuous personal development – for progressive realization of goals. But self-fulfillment needs are noticed only after other needs are moderately satisfied. If you are hungry, fear for your safety, or feel rejected, self-fulfillment seems unimportant. As a consequence, the struggle to satisfy these more basic drives dilutes and diverts energy from self-fulfillment and leaves this last, but all-important need unsatisfied. The most successful people have found satisfaction for all of the stronger but lower human needs and can, therefore, devote more time and attention to the need for self-fulfillment.

The Exchange System

In its broadest sense, all motivation is based on an exchange system. Motivation requires at least the promise of a fair and equitable exchange. Remember our definition of motivation: motivation is a desire held in expectation with the belief that it will be realized. Though not obviously stated, the exchange system is definitely implied. Suppose, for example, you have a “desire” or need for food. The simplest approach to satisfying your need is to “exchange” work for hunger satisfaction.

Motivation begins by discovering a need so strong that it triggers action. The process is most effective when the action carries some tangible or intangible evidence of exchange. You never get something for nothing, nor do you knowingly give something for nothing. Accept and believe wholeheartedly in the principle and base your motivation on a fair exchange.

Motivation must also be based on needs or desires. You are never motivated by an appeal to a nonexistent need, and you are not likely to be motivated by an appeal to a higher need when lower, more basic needs are yet unsatisfied. Attempts to motivate yourself must always appeal to the desires that are strongest at a given moment.

Measuring Production and Performance

In almost every workplace, the terms “production” and “performance” are heard. In some situations, performance and production may mean the same thing. But in most cases, a vast difference exists between the two. *Production* deals with what, and *performance* deals with how. *Production* focuses on the output of an organization, and *performance* deals with how the organization is productive.

Both production and performance are essential terms to understand. You cannot adequately measure team performance or individual efficiency without them. Without adequate measurement, there is neither an easy way nor a sure way to tell if the organization is continuing to grow and move forward. That is why understanding these terms is vitally important to organizational success.

Methods of Measurement

Productivity is output divided by input. For example, if a team’s output brings to the organization twice the revenue required to produce it, the team might be considered highly productive. Of course, if an organization expected a 10:1

return on its input investment, merely doubling that investment might seem hardly worthwhile.

Performance measurements are highly dependent on the work environment and the previous experience of the organization. If a team or organization sees mediocre productivity as the norm, peak productivity might be more of a surprise than anything else. Conversely, if the team is known throughout the organization for high productivity, anything less than that standard of excellence might raise eyebrows among members of the leadership group.

Additionally, performance standards vary depending on the nature of the organization’s business. For example, if the company generates revenue by delivering a service, the measure of performance is far more important than the measure of productivity. If the company delivers a product, on the other hand, productivity is probably more important than performance.

Leaders and managers recognize two primary methods of measuring performance: team performance and individual performance. Team performance involves a calculation of revenue earned, divided by the number of team members. High team performance involves a balancing act between managing costs and increasing output.

While team performance is a valuable measuring tool, each team member is still responsible for a portion of the organization’s monthly revenue. For that reason, most organizations attempt to measure individual performance as well. While team performance is often easily calculated, team member performance may be more difficult to judge because it requires a more subjective rating: capacity times commitment. Capacity is a measurement of capability, rated on a scale of 1 to 10, with 5 as the average. Capabilities include intelligence and experience. Commitment, on the other hand, is made up of an attitude, motivation, and initiative. All these factors focus on the ability to generate action and produce something for the team and the organization.

Measuring individual performance with the formula, capacity times commitment, means that a team member with a low capacity and high commitment can still perform well. However, a team member with high capacity and low commitment may not necessarily be a model of peak performance.

Using Your Potential

Think of your own innate potential for making a contribution to the organization. On a scale of 1 to 10, where would you rank yourself on the use of your potential? If you increase the percentage of your potential that you actually use by just 10 percent, you may find that you can improve results by 50 to 100 percent. This is known as the multiplier effect –adding to the percentage of your potential you normally use will multiply your productivity and enhance your performance.

Leaders and organizations understand that increased usage of individual potential also increases the productivity of the organization. The challenge is to effectively utilize team member potential.

This is because increasing the utilization of team member potential is something only team members can do; the organization can only encourage the effort. Team members who have learned to use more of their innate potential are referred to as self-motivated.

Each of us is filled with abundant potential. But it is somehow easier to see the abundance in the world around us than recognize the abundance of potential within ourselves. In fact, most people barely scratch the surface of the talents, abilities, and powers that lie within them. The need for continuous improvement is why it is so important for you and your team members to rise to a new level of excellence each quarter and every year.



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™.

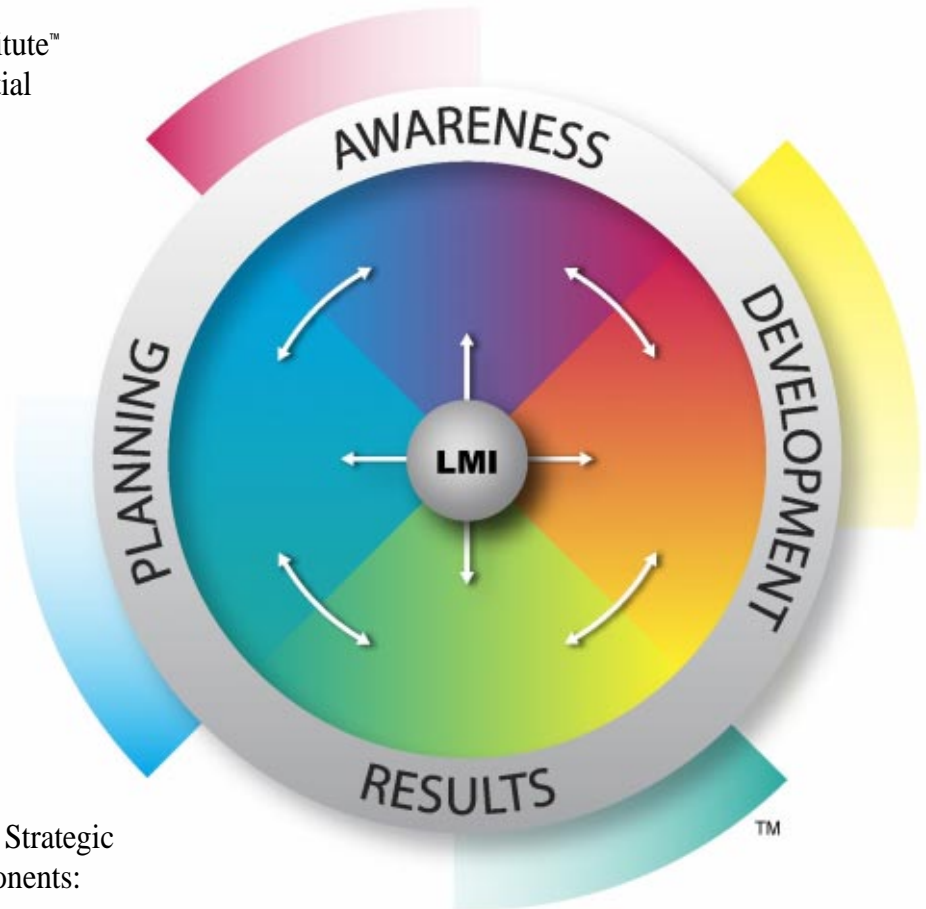
The LMI Process™ ...

- 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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