

LMI Journal



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A Case Study Featuring Translogistics, Inc.

The Company...

When Scott McDevitt was a nine-year old boy growing up in northeast Philadelphia, he sold flowers on the street corner to earn a few bucks. Today, Scott reflects on that time as his earliest memory of wanting to start his own business. In January 1994, Scott realized his life-long dream with the launch of Translogistics, Inc., a transportation outsourcing company marketing to manufacturing and retail companies. After graduating Lycoming college in Williamsport, PA, Scott went to work for Roadway trucking company in operations and later in sales. He learned the skills necessary to manage and operate a transportation company during his six-year tenure at Roadway. Just one day after he left the company, Scott started Translogistics, Inc. Today, as president and founder of Translogistics, Scott leads 28 employees, including a leadership team of five. When he started the company, Scott felt confident in his decision; he was young, his wife was also self-employed, they were debt-free, and he had first-hand experience and knowledge of the industry. But after a few years, he began searching for ways to take the business to the next level. The sales people were not generating enough new business; revenue was good, but stagnate. He invested in a consultant and, as Scott puts it: "Forty thousand dollars and eight weeks later, there were no results." Later he turned to books and other easy to obtain resources looking for an-

swers. But Scott could not find a solid solution; he needed to make changes and even began to doubt his own abilities as a leader and business owner.

The Challenge...

The challenge Scott faced seemed simple enough to resolve: hire productive employees and increase revenue. However, continuous turnover in sales people was proving to be costly and inhibiting new sales. Scott also knew he



Scott McDevitt accepting the LMI Client of the Year award from LMI President David Byrd.

was spending too much time solving reoccurring problems and answering repeat questions; he felt as if he was better off just doing things himself. Again, the self-doubt became an issue. He was losing confidence in his ability to teach and train and blamed himself for the failure of his sales people. After the futile experience with the previous consulting firm, Scott was skeptical about turning to outside facilitation for training and development again, but, taking corrective action had become a prerequisite for secur-

ing a profitable future. Scott recognized he could not do it alone. When LMI Partner, Michael Gidlewski called on him, Scott was still reluctant, and it took months before he finally agreed to meet Michael and learn about the LMI Process™. Scott told Michael about the difficulties he was experiencing in hiring the right people. Scott confessed he did not know where to start in planning a clear path for the company's future. He shared with Michael his frustration

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with the company's flat revenue as well as miscommunication among the staff. For the last few years, revenue was idling comfortably between \$10.5-\$10.8 million dollars. For Translogistics, Inc., revenue was not growing significantly, but the number of problems were on the rise.

The LMI Process™...

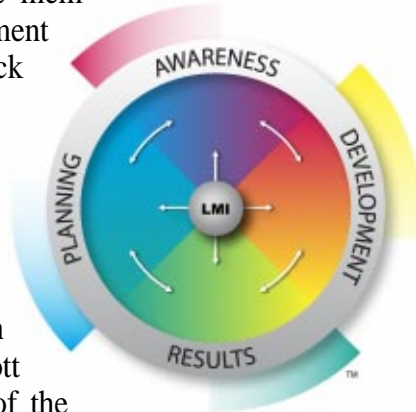
In 2004, Michael Gidlewski introduced Scott to the Profile Evaluation System® and explained the importance of focusing on employee strengths and determining right-fit. They first evaluated the mem-

bers of the sales department and, based on the feedback from the PES, Scott divided their responsibilities into two groups: logistics account managers who maintain the business, and logistics consultants who bring in new business. Next, Scott and the vice-president of the

company completed the evaluation tool, and in a collaborative effort, another LMI Partner, Rich Lewine, assessed the results for them. Scott began to make other positive changes in the company based on the outcome of the evaluations. He restructured the sales staff from salary based positions to commission plans. The new hires were dedicated and committed, with strengths that made positive contributions to the company. Continuing the process, Michael and Rich facilitated a four-day goal setting retreat with the leadership team. Shortly thereafter, communication noticeably progressed on all levels and there was a renewed clarity of direction. Decisions that had previously taken four hours to make were

being resolved in 15 minutes and with more effective results. Scott said, "It feels good to be running the company, instead of the company running me." Scott was encouraged and chose to move his leadership team into another phase of the LMI Process -- planning

the vision, purpose, and mission for the company by participating in Effective Organizational Leadership™. The team began by writing a vision statement of where they envisioned the company to be in the next five years. Through the process of the EOL, they clearly defined a goal to be a \$50 million company with 60 employees by 2010. Further development soon followed as three managers took part in Effective Personal Leadership® facilitated by Nancy Lewine,



"I know how to train and teach, but I wasn't looking at employees' strengths and the right-fit for them in the company."

– Scott McDevitt, President and Founder, Translogistics, Inc.



Rich's business partner, while Michael implemented the My-Tyme Success Planner®. All levels of the organization were becoming an effective part of the process.

The Difference...

Now in the second year of the LMI Process, Translogistics is reaping the benefits that Scott visualized. In 2004, revenue increased by over \$2 million dollars from the previous year. And in 2005, it grew again, by approximately \$1 million dollars. In 2006, the company's goal was \$14 million in total revenue. More importantly, the gross profit margin went from 21 percent to 23 percent in two years. Since implementing the LMI Process, Translogistics' net profit has soared from 2.1 percent to the current 5.95 percent. Improving the hiring process by using the PES has saved Translogistics, Inc. approximately \$1 million dollars. The placement of an Operations Manager, rather than a customer service manager, proved to be a valuable decision for the company. Earlier this year, the company made a profit on every single shipment in a one-month period as a result of the right person managing the customer service department. New software is currently being developed that

"Without a compelling vision, a powerful mission, an effective strategy, and an organizational goals program cascading down to every level of the organization, you are doomed to stay in the status quo."

– Michael Gidlewski, LMI Partner

will benefit clients by allowing them to manage their own budget reports, schedule shipments, and analyze invoices. Further sales training has helped Translogistics shorten their sales cycle from 12 to 24 months to just 3 months. The results are endless and Scott has a crystal clear vision for the company which has

been communicated to all employees. The open communication allows the entire staff to work toward shared goals. Scott continues to execute the LMI Process throughout the entire organization. The company is in a transitional phase, moving toward bigger goals and profits. Scott says, "I feel like I've started my business all over again, but this time with the right tools and the right knowledge."

Empower Yourself

As you focus on empowering team members, you cannot forget to empower yourself – to develop and use more of your leadership potential. Consider these opportunities you have as an effective organizational leader:

- Give of yourself. Life is a gift to you. Give back the best of yourself. Austrian philosopher Martin Buber said, “There are no gifted and ungifted here... only those who withhold themselves and those who give of themselves.”

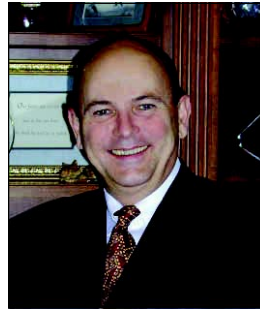
- Give of yourself to your family and friends. You are enriched by giving of yourself to your family and friends, revealing your innermost being and offering to them your unconditional love and support.

- Give of yourself to your community and your country. You have unique talents and abilities you can put to use to make society better for everyone – talents that no one else can offer.

- Give of yourself to your team members and other business associates. One of your richest sources of satisfaction and happiness lies in the close personal feelings you develop for the people with whom you work. The bond of trust and mutual encouragement you develop is more valuable than any corporate title or amount of money you can accumulate.

As your positive self-image grows stronger, others see you in a new light. They are inclined to believe that you can take on added responsibility and that you can aid in the achievement of even more important organizational goals.

Process versus Event



David Byrd
President, LMI

Last month we discussed the differences of development versus training. Many organizational leaders are confused about these differences, but measurable results only come from an appropriate mix of both development and training.

Another important issue regarding development and training is the consideration of “process” versus “event.” An event is best used to train or convey information. These events are usually in the form of a one day seminar or weekend retreat.

Development, however, is always a process. The working definition we use for the LMI Process is “the spaced-repetitious implementation of proven tools and process designed to permanently influence and positively impact those behaviors, attitudes, actions, and systems which are conducive to desired results and performance.” An effective development process should always deliver measurable results!

I have noticed that there are many training companies today offering development processes in seminar format. From a time/cost evaluation this offer may be tempting. However, over my 28 years in the people development business, I have never seen

measurable results delivered in a one day seminar.

I have been asked, “What does a development process do?” A true development process brings out the untapped potential of people. Everyday, people come to work in organizations around the world with potential that they will never use on the job, simply because that potential has never been developed. For any organiza-

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tion to improve, it must development the untapped potential of its people. A good question for any leader to ask is, “What have I done in the last 12 months to develop the untapped potential of my people?”

LMI has over 40 years of experience in the field of “development.” We would welcome the opportunity to answer any questions you may have as to how the LMI Process can unlock the potential of your organization.

With Positive Expectancy,

David Byrd

President, Leadership Management Institute™

Minimizing Stress

Leadership can be stressful. But effective leaders use stress as a constructive force rather than allowing it to become a destructive one. Stress occurs when conditions produce awareness that some action is required to satisfy a need, to solve a problem, or to prevent some undesirable result. Without constructive stress, motivation would be at an extremely low level, and very little would ever be accomplished. Adopt the attitude that stress is a challenge to your creativity – a welcome opportunity to perform well.

Minimizing destructive stress requires planning ahead and setting priorities. A system for handling every part of the work cuts down on the number of decisions that must be made day by day, transforms many problems into automatic procedures, and makes sure there is an appropriate team member to handle most situations that arise.

Managing by Goals

Clearly-defined goals and a written plan of action for both your work and personal life offer you these stress-reducing benefits:

- You always know where you are going and, therefore, feel little fear of the unknown.
- Obstacles are not perceived as threats because you have anticipated them and planned how you will handle them.
- Making choices is simplified because your goals serve as criteria.
- A written plan of action for achieving goals provides ready-made decisions regarding specific actions to take.

Overall organizational goals and plans simplify the leadership of people. The plan of action for achieving the goals of the organization provides standards and procedures for measuring individual and organizational productivity. You and your team members know automatically whether productivity is adequate.

When productivity falls short, a goals tracking procedure shows exactly where the problem area is and points to corrections that can be made before it is too late to reach the goal. Stress-producing vagueness about what is wrong is eliminated. Instead, you and your team members know where you are going and how you intend to get there.

Identifying Priorities

Determining priorities is a constant challenge. To minimize destructive stress, a working goals program outlines criteria for identifying priorities. The action steps for achieving the goals of the organization define which portion of the work is yours and what will be left to other people. One of the most effective ways to choose which activities you will

perform is to evaluate their cost. Determine the value of one hour of your time based on your annual income. When you know how much your time is worth, you have a better standard for choosing items of work you will perform personally and those you will delegate. Just as you would not be willing to pay \$100 for a cup of coffee, you should not spend \$100 worth of time accomplishing a five-dollar task. Compare the cost of your time to the worth of the activity.

Another approach to establishing priorities is to evaluate the contribution each activity will make to the achievement of organizational and personal goals. Focus on activities that make major contributions to moving you and your team members closer to your goals. If time is left, it may be invested in activities of lower priority.

Keeping in Touch

One of the most stressful feelings an effective leader can experience is the fear of being out of touch with what is going on. It is the surprises that are devastating to organizational and personal productivity – not the anticipated obstacles. Eliminate stress by setting up an organized system for keeping in touch with your organization:

- ◆ Clearly defined procedures. All routine functions of the organization should operate according to clearly defined procedures. Clearly defined procedures reduce time needed for instructions, eliminate the necessity for repetitive decision making, and prevent overlooking important activities.
- ◆ Regular reports. Design reports that provide pertinent information about the status and operation of the organization. Link reports directly to the goals program to help with tracking progress toward goals. Design reports so that a quick summary is available along with whatever detailed back-up is necessary.
- ◆ Availability and accessibility. As the leader of your team, you supply the inspiration, direction, and support each person needs. No one else can assume this role for you. Your accessibility provides team members with the confidence to move ahead.
- ◆ Observation. Become an excellent listener and a keen observer. Learn to relate what you see and hear to your overall goals. You will quickly become expert in picking up hints of possible trouble spots before they actually materialize. Then you can take positive action to eliminate them before they create serious stress.



Attitudes for Problem Prevention

Since your responsibilities involve making decisions, maintaining productivity, and interpreting organizational policy, you may occasionally experience a wave of unpopularity. If you view these occasional disagreements as part of your position rather than as personal attacks, you maintain professional, positive relationships with team members and enjoy personal satisfaction from doing your job well.

Controlling your emotions is easier when you remind yourself that you personally are not usually the cause of a team member's anger. An angry employee is usually upset with an organizational decision, policy, or rule you are required to carry out. You are simply doing your job. Remember that because of your position it is your function to protect the interests of the organization – not to protect yourself from personal dislike. Adopting this rational attitude helps you to think and act in a calm, professional manner without adding the fuel of your own emotions to an already explosive situation. Reacting emotionally to complaints may intensify and prolong the negative situation.

In discussing a complaint with a team member, even if emotions like anger or frustration come to the surface, limit your discussion to the issues and behaviors causing the problem. To keep from becoming defensive when presenting your point of view, use “I” messages. “You” messages often come across as accusing and judgmental. For example, instead of saying, “You need to answer memos more promptly,” it is more effective to state, “I cannot make necessary decisions when you do not respond to memos promptly.” Or instead of, “You are not providing effective leadership for your team,” you might say, “I often see your team members idle when they do not know what you want.”

These “I” messages, as opposed to “you” messages, allow you to point out how an issue affects you, or they explain why the issue is important without attacking the person. When communicating about problems, also avoid judgmental words like should, could, ought, if only, and but. The word but negates whatever the other person is saying, and it conveys to the other person that you are not listening with an open mind.

Addressing problems promptly, rather than procrastinating, is also crucial. One large, nationally-known firm reduced the number of written grievances by 95 percent by implementing a

concentrated effort to solve problems where they occurred, at the time they occurred. Promptness in solving problems lowers the production cost of goods and services, improves an organization's competitive position, and enhances customer satisfaction.

“Promptness in solving problems lowers the production cost of goods and services, improves an organization's competitive position, and enhances customer satisfaction.”

Team leaders who adopt a pattern of consistent, positive attitudes and behaviors reduce the confusion and frustration that often give rise to complaints among team members. **Here are a few practical guidelines:**



◆ Treat all employees fairly – that is, make sure all team members receive the positive or negative consequences their performance merits. Being fair with employees does not mean always treating people equally. People who make an outstanding contribution deserve extra rewards and recognition. Enforcing rules is the only area in which every employee must be treated equally.

◆ Learn to say exactly what you mean. Don't expect team members to guess or to read your mind. Demonstrating what you want or giving verbal examples can be essential in training and communicating effectively.

◆ Deal with specific behavior – not just attitudes. Identify the specific behavior you want team members to develop, train for that behavior, and reinforce it with positive feedback.

◆ When you receive two different stories about a situation, get the two people together and ask them to tell you about it.

◆ Coach for improvement. Describe behavior you want, not what you do not want.

◆ When you give instructions, expect team members to follow them.

Prevention is the most productive strategy to handle problems with people; but no matter how successful you are in establishing good relationships with your team members, you will occasionally face differences of opinion and other unavoidable interpersonal issues.

Explore Your Leadership Potential

Consider this definition of personal leadership: *Personal leadership is the self-confident ability to crystallize your thinking and establish an exact direction for your own life, to commit yourself to moving in that direction, and then to take determined action to acquire, accomplish, or become whatever you identify as the ultimate goal for your life.*

Personal leadership involves the development of a positive self-image that gives you the courage and self-confidence necessary to make a conscious choice of a specific course of action that will satisfy your needs, to follow that path, and to accept responsibility for the outcome. Personal leadership demands conscious assumption of control over your own destiny through the establishment of personal goals that give depth and meaning to every action. When you possess personal leadership, you can write your own ticket to success; you can name your own price for fame. Anything you can visualize is yours – money, power, prestige, acclaim – when you meet challenges with confidence and demonstrate true personal leadership.

While everyone practices personal leadership to some extent, few of us have developed our personal leadership abilities to their fullest potential. As a result, the personal leadership we exhibit is often inconsistent because we have not been adequately trained in its art. Besides of the lack of instruction, another principal reason for not using personal leadership is the lack of experience. Inexperience makes us reluctant to act for fear of making mistakes. As a result, we fail to gain the fundamental experience in personal leadership that would assure success.

You have the potential for personal leadership. To at least some degree, you have already developed your ability; and what you have learned in part, you can master and perfect. Personal leadership is not created by situations but by your response to them. Nothing restricts your personal leadership potential except the artificial limitations you place on your own mind.

Your Untapped Potential

Along with the desire to achieve goals and to find purpose and meaning in life, you were given the means for reaching your goals. You are equipped with a vital reserve

– an untapped potential – equal to your needs. Recognizing your untapped potential is the first step to preparation for personal leadership. The scientists who study human behavior agree that few people ever use more than a small portion of their potential. We all have infinitely more talents and abilities than we ever use.

Because your potential is virtually unlimited, success must be defined in terms that allow for stretching your limits to reach new heights. Here is a definition of success that is broad enough to include all of your dreams yet specific enough to produce belief: *Success is the progressive realization of worthwhile predetermined personal goals.*

Because you are a goal seeker and are almost continuously unsatisfied, you find success only in progressive realization of goals. It is not enough to set goals; you must realize them by working toward them. They must be your own goals, compatible with your inner sense of values. If your goals are to hold your attention and attract you to them, they must be predetermined, and finally, they must be worthwhile — worthy of your best efforts. They must, in some measure, call upon your reserve strengths, your untapped potential.

The principal reason many people do not find success is that they look for it by comparing themselves to others. If you evaluate success through comparison of yourself to others, then the more people you know, the less likely you are to feel successful. Life will be one big disappointment after another. On the other hand, you may be more successful than a neighbor, a brother or sister, or your parents and still be a dismal failure if you fall far short of your capacity for success. The only valid comparison you can make is to compare what you are to what you have the potential to become. You will be successful only when you resolve to develop your untapped potential and measure your success in the progressive realization of worthwhile predetermined personal goals.

Three tools are available for use in developing more of your potential:

- ▲ *Believe in your potential.* Once your potential is put into action, it grows and gains momentum. Like an avalanche crashing down a mountainside, it sweeps every obstacle from its path.
- ▲ *Exercise self-reliance.* You are the only one who can discover and use your potential. Trust your ability.
- ▲ *Act with initiative.* Be decisive. Refuse to wait for someone to tell you what to do.



Taking Care of Emergency Situations

The most productive individuals are those who master the art of taking care of emergency situations, unexpected and unplanned, that require immediate attention to prevent serious consequences. “Fire fighting” is the usual term for handling a crisis. “Fire fighting” ranges from such relatively simple problems as soothing an unhappy customer to solving a major emergency production or personnel problem.

Obviously, true emergencies must be handled immediately. This often means pushing aside planned activities and rearranging schedules to take care of the emergency.

Prevention Is Key

The ideal, of course, is to prevent emergencies. If you suspect you are spending too much time “fire fighting,” keep notes over a period of a week or a month describing the various situations that require emergency action. Identify the location of the fire and what is lost. Who is the arsonist? Who is usually the fire fighter? Is some kind of psychological reward being sought by either arsonist or fire fighter – or both? List the causes, the actions taken, and the results for each crisis handled. Then compare the circumstances to find any pattern that exists. Decide how you can best prevent future crises. Consider instituting necessary training, giving appropriate feedback, setting up proper controls, or delegating appropriate responsibility. Design new procedures, perform necessary maintenance, or install new equipment – whatever your analysis indicates is needed.

Handling Emergencies

Even the best planning and training fail to prevent an occasional unanticipated situation that must be handled on the spot. When vital machinery breaks down, key people are sick or hurt, or outside circumstances affect your work, adjustments must be made. When a crisis occurs, minimize lost time by following these suggestions:

❖ *Stay calm.* The existence of a crisis implies that something is out of normal control. If, in addition, you lose

control of your emotions, it becomes difficult to make rational decisions that meet the needs of the moment. Tell yourself, “I’ve solved harder problems under pressure. I can solve this one, too.” Your calm, matter-of-fact acceptance of the situation and the assumption that it can be handled keep both you and other people calm and able to bring the situation back under control.

- ❖ *Isolate the major consideration.* When a crisis arises, something will probably be lost as a result of the situation – either time, money, or materials. Decide what loss can be tolerated and what loss must be avoided. Isolate the root problem so you can immediately respond to the real issue. Your objective is to solve the problem and regain control without a critical loss. For example, perhaps a breakdown occurs that will cause a delay in the production of a component needed to fill an important order. You realize that a time delay would represent a substantial loss for this important client. Failure to meet your obligations to this customer is a loss you cannot afford. You would be well advised, therefore, to authorize overtime for repairs and production, or to shift the critical component to another production line and delay work on a less critical job.



“Your calm, matter-of-fact acceptance of the situation and the assumption that it can be handled keep both you and other people calm and able to bring the situation back under control.”

- ❖ *Return conditions to normal as soon as possible.* The objective in crisis management is to take personal charge of the situation for only as long as you are needed. Make the suggestion, take the action, give the instruction, and then step out; let the person who is normally in charge complete the job. Offer only the necessary help and trust your people to carry through.

- ❖ *Learn something from each crisis.* The handling of each crisis situation should make a direct contribution to future crisis prevention. After the excitement is over and the situation has returned to normal, hold a debriefing session to discuss the crisis with those involved to determine how a similar emergency can be avoided in the future. Make this a training opportunity and a planning experience – not a “place-the-blame” session. The more all team members learn about crisis management, the more capable they will be to handle future emergencies and the less you will be required to become involved yourself.

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™.

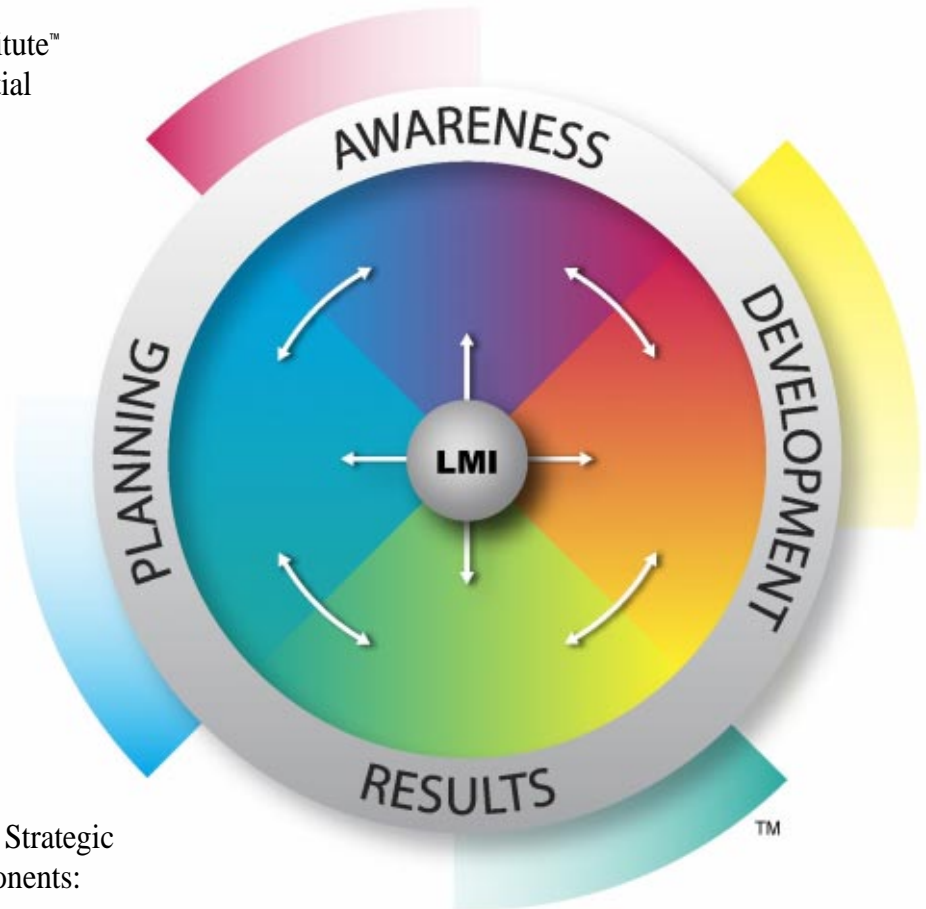
The LMI Process™ ...

- 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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