

# LMI Journal



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## A Case Study Featuring Waddell & Reed Financial Services

### The Company...

John Oestreich had enjoyed seven successful years as a financial advisor at Waddell & Reed. However, he became unsatisfied when he realized his professional success should have been growing at a faster rate. Waddell & Reed, like many financial services companies in the industry, uses a specific tracking digit to quantify and evaluate advisor performance. This digit is a composite of several performance values that take into consideration margin, type, and total volume of sales business that the individual has cultivated for the company. This carefully calculated tracking digit encourages advisors to maximize value for their clients and allows them to hit higher earning levels to compete among others in national rankings. In order to achieve the success he desired, John first had to identify the reasons for his current performance to understand the steps he would have to take to find the solution.

### The Challenge...

John was at the point in his career when his tracking number should have been soaring at a high rate, but it wasn't. He discovered he was using his time ineffectively and, along with some bad habits, he was unable to accomplish the high level of professional

success he sought. John knew he had the capacity and drive to meet his goals, yet he was unable to develop the mindset or process for doing so. John hadn't clearly identified his high payoff activities. He began to procrastinate with small daily tasks and became overwhelmed in time consuming tasks that were interfering with what mattered most. As a result, he found himself working long hours and started to feel the effects of heightened stress at work and at home. John knew what he wanted and needed. He wanted to develop effective work habits through a proven

process with lasting results. He wanted to develop the necessary skills to put his best ideas into action. And ultimately, he wanted to increase his tracking number and take his career to the next level. He didn't want to settle for average success.



*"The EPP did not help me improve for just one year. Through focus and hard work, it will reshape my business for many years to come."*

**– John Oestreich, Financial Advisor,  
Waddell & Reed Financial Services**

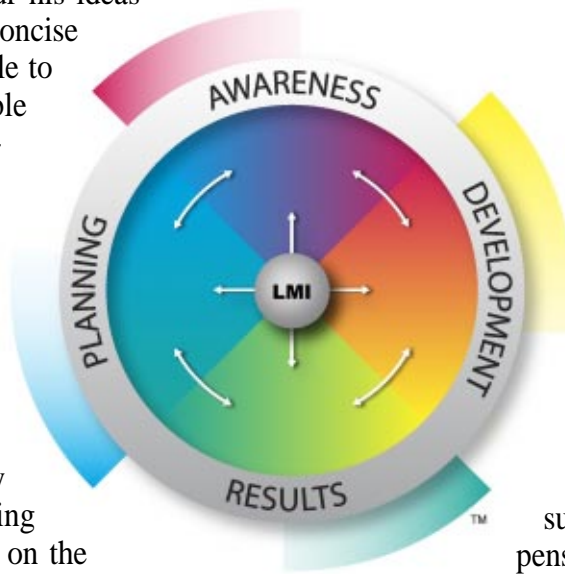
### The LMI Process™...

John had attended motivational seminars and read books on how to improve work productivity. But he would soon discover the

LMI Process™ was a totally different concept. LMI Partners, Boyd Ober and Dan Sedor, introduced John to *Effective Personal Productivity*. During the first few weeks,

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John worried that the weekly session would result in lengthy homework assignments but was quickly surprised to learn the assignments fit in well with his day. The weekly lessons helped him identify his high-payoff activities that would produce the most value in increasing his tracking digit. He acquired critical goal planning and goal execution skills. The Goal Planning Sheets helped him discover the appropriate time for delegating tasks. Completing a goal planning sheet allowed him to pour his ideas out on paper in a clear, concise way. John says, “I am able to go through every possible action and pitfall of reaching the goal. I know why I am setting the goal and how to track my success.” The *EPP* introduced new skills in dealing with interruptions, multi-tasking in a more productive manner, and being aware of daily accomplishments by writing them down and focusing on the results.



### The Difference...

Through persistence and positive expectancy, John increased his key tracking digit by 130 percent within the first year. He says the return on investment has been more than 30 times. The *EPP* has increased his productivity, and he feels he's in tune with his daily progress. Before, John was never sure of how far he had come, nor how close he was to reaching his goals. Now, he measures the results daily. He



LMI Partner, Boyd Ober, left, facilitated John Oestreich, right, through the LMI Process.

***“Effective Personal Productivity was the solution for which I had been searching.”***

**– John Oestreich,  
Waddell & Reed  
Financial Services**



accomplishes more in less time and even looks forward to sharing his increase for the week with Boyd. “Keeping score keeps me motivated,” John says. The *EPP* has also helped him be competitive on a national ranking scale. At Waddell & Reed, John gained recognition and prestige among his colleagues and other industry leaders. His results have significantly impacted his personal compensation as well as the company's compensation. John says this is only the first step: “I am already five months ahead of my goals for the year and am now reassessing and striving for larger goals.” The LMI Process he experienced will continue to provide John with an organized approach to developing, refining, and achieving his professional and personal goals. LMI's *Effective Personal Productivity* was the solution for which John Oestreich had been searching.

***“We pride ourselves with facilitating the LMI Process with top quality firms and individuals. John is a prime example of this customer model.”***

**– Boyd Ober, LMI Partner**

## Positive Expectancy

Positive expectancy fosters exciting, worthwhile goals that motivate and inspire. Psychological studies repeatedly demonstrate that expectations, positive and negative, tend to be fulfilled. Positive expectations capture the imagination and constructively influence reactions to outside events and circumstances. A winning frame of mind – the determination to make the most of every problem or project – produces remarkable feats on both individual and group levels. It gives individual team members and the team as a whole the desire and courage to become proactive, to ask questions, and to assume greater responsibility for achieving goals.

Hold positive expectations for your team. The attitude of positive expectancy is captured in this truth:

*Whatever you  
vividly imagine,  
ardently desire,  
sincerely believe and  
enthusiastically act upon . . .  
must inevitably come to pass!*

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# Facing the Forces of Change



David Byrd  
President, LMI

Today's leaders face the positive and negative forces of change as never before in the history of organizational management. The dynamics of change are fast and ever moving because of the speed of information and innovation. These forces of change not only present a special challenge to leadership but also to the people who work in today's organizations.

Where should leaders focus their attention and how should they direct the attention of their people? The answer to this question is critical to the effectiveness and success of the organization.

Leaders often focus on what they want and try to create buy-in with the sheer force of their personalities. Experience and research show that exclusive focus on what leadership wants creates resistance to buy-in. Also, this type of focus becomes an overwhelming task for leadership in creating a culture of support and teamwork.

Some leaders also focus on need, and are usually driven by a determination to work toward everything the organization needs. This focus leads to overwhelming

to-do lists and projects stretching human and financial resources to its limits. Also, a perfectionistic culture is created where accomplishments are ignored and the only focus is on what remains undone.

Our 40-year background of research and a validity database of more than 35,000 achieving leaders point to the most effective organizational

focus – what matters most! A “what matters most” focus generates organizational clarity and builds a results-based culture.

Leadership Management Institute provides a “what matters most” focus to leaders and their organizations around the world. We genuinely trust this unique perspective will bring you to a new level of awareness about your leadership and your organization.

With Positive Expectancy,

David Byrd

President, Leadership Management Institute™

## Relaying Your Message

Messages – E-mails, faxes, memos, letters – bombard people relentlessly from every direction so the ability to write clearly and persuasively is more valuable than ever before. Whether your purpose is to provide information, to change an attitude or behavior, or to persuade someone to perform a specific task, written communication is a substitute for your presence. But at other times, writing is the method of choice – even more effective than spoken words. When do you “put it in writing”?

- ◆ *To save time.* Writing reduces the need for time-consuming meetings. Writing saves time by telling team members ahead of time what will be done at a meeting and what each individual’s responsibilities are for the meeting.
- ◆ *To remind.* Written plans of action serve as a reminder of what needs to be done, who is responsible, and when the action should be completed. A written plan facilitates accountability and creates a benchmark for measurement of performance.
- ◆ *To prevent misunderstanding.* Putting important information in writing prevents misunderstandings. People can reread directions, instructions, or important information when it’s at their fingertips in writing.

Planning before sending an E-mail, dictating, or writing ensures the best possible reception for your message. Ask yourself these questions:

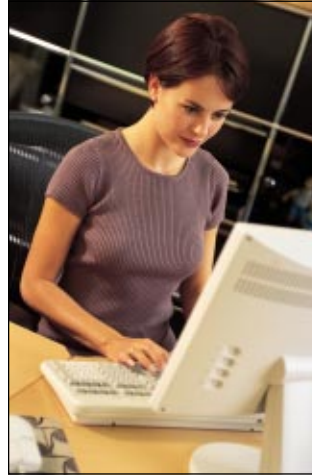
- ◆ What is my purpose for sending this message?
- ◆ What response or action do I want as a result of this message?
- ◆ What do I know about the recipient of this message that will help me present it in a form that’s most likely to be positively received?

As you write or dictate, try to visualize the person or group with whom you wish to communicate. Assume an appropriate tone in the writing and choose language that communicates just as you would if you were in a face-to-face meeting.

Choose an appropriate form for each written message. In most business situations, E-mail is the logical choice. It is quick, readable, and easily copied. For some special purposes, a handwritten note may serve your purpose just as well.

Skill in writing E-mails, letters, and memos is invaluable since they’re so widely used in business organizations. They may deal with simple announcements or with complex or highly confidential matters involving personnel, new product research, financial affairs, or company policy. Make letters, memos, and E-mails long enough to cover the message but short enough to be read and the message

heeded. Make E-mails brief and to the point, and limit letters and memos to one page as often as possible. Cover only one subject; it’s better to send two separate E-mails, letters, or memos to the same person than to mix two different subjects. This encourages the receiver to take appropriate action without the necessity of replicating the E-mail or making an extra copy of the letter or memo.



### Giving Instructions

The more expert you become in giving instructions, the more everyone benefits. Team members understand exactly what you want and comply conscientiously and cheerfully. Here are suggestions for giving orders and instructions effectively:

- ◆ *Preparation* – Before you begin, be sure you know exactly what you want to communicate. If you need to ask for information or conduct a discussion or brainstorming session before reaching a decision about what orders to give, separate that session from the actual giving of instructions or orders. Any apparent indecision or confusion on your part creates doubt and lack of confidence.
- ◆ *Consideration* – Check on the team member’s time and workload before directing any change in procedure or priority. Be sure you have the right employee for the job. Along with instructions, assign a priority to the job.
- ◆ *Presentation* – Give instructions in a logical sequence and in clear, concise language geared to the team member’s intelligence and education. Check to see that your instructions were understood, and explain again any part that seems unclear. If the order has several parts, or if it’s to be a permanent procedure, follow oral instructions with a written message.
- ◆ *Attitudes* – “Ask” rather than “tell,” but make it clear you expect compliance with your request. Accomplish this by using language and a tone of voice that are authoritative, but not authoritarian. Be considerate of team member needs and desires, but never apologize for giving an order. You represent the organization, so make it clear that you support the organization and its goals. Give individuals an opportunity to ask questions or express opinions, but do not feel bound by those opinions.
- ◆ *Follow-up* – Check on compliance with your requests and instructions. Amend your instructions when that seems logical. Express appreciation when your requests and instructions are carried out well.

# Training Your Team Members for Success

Whether you call it orientation, indoctrination, development, or training, a program for ensuring adequate instruction of team members is vital to reach the organization's goals. Too often, training is conducted haphazardly, perhaps aimed only at new team members, and never fully recognized as a valuable method of improving motivation and productivity. Not only must new people be trained, but established ones must be retrained and crosstrained, and all team members must be encouraged to develop self-motivation to use their full potential.

An organization that trains its people exemplifies the old adage, "Our people are our greatest asset." In such an environment, employees usually consider training to be a reward and a benefit – an indication that higher management considers the recipients to be valuable team players and potential leaders in the organization. Being selected for training assures employees that the organization is willing to invest in their long-term job effectiveness. This investment in people also contributes to employee loyalty and longer term commitment to the organization.

Because it affects the morale and the skill levels of employees, a planned program of training and development is critical to productivity – and to your success as a leader of others. Close supervision during an introductory period quickly brings productivity to a high level, maintaining and even improving customer satisfaction. Repeated training maintains satisfactory work standards, encourages cooperation among the team members, and reduces tension on the job. When people make few errors and maintain high morale, you can concentrate on the creative elements of your responsibilities. A good training and development program benefits you, your team members, and the entire organization.

## Training and Developing People

A successful training and development program begins with your willingness to accept people and their skills as they are now and to build on them. If you didn't hire the members in your group, their productivity level today isn't your responsibility. The productivity level they reach tomorrow *is* your responsibility.

Before you can train and develop people, you must first know in detail all the tasks that must be done. Begin with a complete, up-to-date job description for every position you

supervise. You may assume you know what each person does. But if you were unexpectedly required to write out a detailed job description for each individual, you might find yourself lacking important information. Consider Gary Allen, who has 15 years of service and is now ready to retire. You must replace Gary. When the personnel department asks, "What does he do?" chances are you can mention only vaguely what Gary has done and say that he has performed "miscellaneous duties." These miscellaneous duties may include dozens of tasks that Gary learned and perfected in 15 years' time. If these responsibilities aren't described specifically in detail, you'll have difficulty training and developing a replacement.

When a replacement is hired, the new person may be unable to take over every facet of the job. At this point, flexible job descriptions give you room to figure out how to adjust responsibilities or coordinate several jobs to keep your work group operating at a high level of productivity. You may choose to transfer some of Gary's responsibilities to other team members. When you know the details of all the positions in the department, you can reassign and prioritize responsibilities as needed.

Match team members to jobs. If you discover either through assessments or observation that certain individuals enjoy work that is repetitive and unchanging, assign them responsibilities that fulfill those individual needs. Individuals who are ambitious and eagerly looking for increased responsibility and higher compensation should be given responsibilities that offer those opportunities.

Enlist the help of team members in preparing adequate and complete job descriptions. Keep job descriptions up-to-date; periodically go over them to determine whether there is overlap or confusion of responsibilities. As people grow and develop new skills and abilities and as new people come into your group, review responsibilities and consider reassignments so that team members can always use their best skills and abilities.

Training and development brings you more benefits than any other responsibility you possess or activity you perform. The time you spend in leadership training, for example, has the potential to do more to improve your skills and your performance than any other comparable time period you will spend this year. The same principle applies to other people on your team and their training and development. When they learn new skills and new procedures, they are worth more to you and to the organization. When they recognize their improved productivity, they develop added self-confidence and new self-motivation.



## Examining Sources of Conditioning

Anything that shapes one's thinking or behavior is a conditioning influence. A conditioning influence may originate either internally or externally. The three most common conditioning influences are the family, the social environment, and personal attitudes toward mistakes and failure.

### Family Influence

Fathers, mothers, older brothers, and sisters – all influence us during our childhood. You've no doubt heard someone say that a particular child has his father's temper. If he does, it wasn't because he inherited it, but because he was conditioned to it; he learned it.

Not only by example, but by words – advice, arguments, or persuasion – we form an idea of what to expect of ourselves, and unfortunately those ideas are sometimes limited in scope. Parents who have themselves been conditioned to respond negatively to life may pass on those limiting attitudes to the children who may have entirely different talents and abilities from those of their parents. The children may, therefore, live in accord with the potential of their parents while their own talents and abilities lie unused.

A natural love for our families makes us loyal to their teachings and causes us to cherish family tradition and heritage. That can be good; but it's not always good. Such influences should be weighed in the balances of our own values, needs, and desires.

Life is not bound by predetermined formulas. You shape your own destiny. You're the architect of whatever life you choose to build. If you accept without question the ideas and demands of others, it's only because you use your freedom of choice to allow it to be so. But you were created for greater and more worthwhile purposes than to follow blindly the influences you encounter through chance.

### Social Environment

No one is an island. The adult, as well as the child, is subject to conditioning by outside influences and by the family. Youngsters are affected by interpersonal peer relationships, and teachers have an effect on their thinking, their conduct, and their personalities. As they grow older, the scene changes, and the names change, but social influences continue to bombard them. Ever since primitive people learned to band together for strength and protection, they

have been conditioned by their environment and by society and its institutions. This, too, can be good. Without such conditioning, humanity might well have failed to survive.

Too much conditioned conformity, however, tends to cast all individuals in the same mold and they become average – fitting their talents and abilities into a mediocre model that everyone can match. Over-conditioned people lose the motivation to be what they were intended to be.

What's important to your personal leadership development is the determination of which conditioning influences are good and which are bad. You must learn to live in a society of compromise without being compromised. You

must remain unsatisfied without becoming dissatisfied. And you must realize that any conditioning you mentally accept can be reversed or recreated as you choose. Recognize your unique possibilities. Make your own decisions about who you are and what you will become, rather than passively submit to the imprint of your environment.

### Mistakes and Failures

There is a third conditioning influence to which all people are subjected – that of their own experiences. Because we're not born with a knowledge of the world, it's natural that in the learning process we make mistakes and experience failures. Learning proceeds by trying, failing, adjusting, and then trying again.

Failure can be shattering, particularly if early environment placed stress on perfection. A parent, teacher, or even boss in an early job who places extreme emphasis on the gravity of mistakes may cause leadership development to be restricted. The fear of failure breeds timidity and causes hesitation to accept a challenge.

Failure itself is unimportant; your attitude toward it is crucial, for it can strengthen or destroy you. If you regard each mistake as a setback in your quest for achievement, that's exactly what it will become. When you look upon mistakes as signposts to guide you in the adjustment phase of the learning process, failures serve to strengthen you.

You can accept a mistake as a failure, or as a lesson in progress. You can accept it as a challenge or as a chastisement. There is more to be feared in not making mistakes than in making them. To develop a healthy attitude toward mistakes and failure, see them as opportunities to develop your personal leadership. More important, you must acknowledge them as your own instead of attempting to blame someone else or some circumstance.



# The Journey of Organizational Evolution

By Richard S. Lewine

When an organization's leaders become aware of the need for personal leadership development, the organization benefits and begins its "evolutionary journey." This journey leads to a more effective organizational outcome.

Organizations are only as effective at delivering results as allowed by the people that constitute its dynamic existence. As entities, organizations are nothing more than a container within which people of varying disciplines ply their trades. For an organization to deliver "better performance," "enhanced results," and "more revenue and/or profits," the people that are in the organization must behave differently, perform differently, converse differently, and expect differently. Without this change or evolution, the *current* state becomes the *future* state.

Most organization leaders, and the bulk of others functioning within the organization, prefer to obtain their fulfillment by doing what they perceive is the best way to get things done. Not from an altruistic sense of "right," but from the conditioning to which most of us have been subjected. More is better, bigger is better, faster is better, etc. Meanwhile, people in the organization are living with frustration, stress, a sense of being unfulfilled, and a wish that someone would do something differently.

## Where to Begin

Regardless of the entry point chosen to begin an evolutionary process, it's the leader's awareness of the need for change that initiates and supports the effort. And this is just the beginning.

Transforming an organization may mean that several processes occur in parallel. That is, organization focused efforts (for example, vision building and articulation) are addressed simultaneously with an ongoing conversation centered among the leadership with respect to personal goals and values, while leaders and managers may be immersed in the initiation of a personal growth effort. This reinforces the consciousness among all players regarding the evolutionary journey on which they've embarked.

High level, strategic initiatives may be spread out over several months, allowing those in leadership positions to continue discharging their duties as required. This balance of "paying the bills" while "creating the future" is new and

difficult for most groups of people within organizations. It can be learned!

Part of the evolutionary process is reaching the point where one understands that not everything is an emergency. Developing an appreciation for priorities and applying these principles to the daily effort of managing, allows an individual to learn to say "no." Learning this can have a remarkable effect on the availability of time that can be allotted to "future thinking." It has the added benefit of putting the person who asked for the time in the position of making their own decision. What a concept!!

Perhaps not so obvious is creating an organizational climate in which it's okay to say "no," and where it's okay to make mistakes or errors in judgment. The pervasive dysfunction of "it's not okay to be wrong" has stalled the evolution of more organizations than you can imagine. A no-risk culture almost guarantees a no-growth organization. Only by taking risk can an individual or organization progress. Like the turtle, it can only move ahead by "sticking its neck out."



One of our long-term clients had about 100 people when we started with them. They had been in business for more than 20 years, but had no clear goals or strategies and meetings were complaint and "pity me" sessions. It was a crisis-to-crisis environment where every customer-facing employee believed that if he/she didn't get an immediate response from his/her manager, the customer would be lost. Imagine the chaotic nature of this environment. With the leadership having the same mindset, the myth was perpetuated consistently and constantly. One of the consequences was a lower level of profit than expected.

After our initial intervention, which consisted of off-site training with the leaders, and several months of on-site contact with other people in the organization, a small change began to occur. The mid-level people continued their dramatic requests but, the leaders began to say things like, "Not now" or "What do you think you ought to do?" Over a three-year period, a series of leader/manager development programs were instituted, annual goal setting sessions became the norm, and a clear long-term vision was articulated and published. Several years later the owners realized that they had evolved. They sold the business for a handsome sum to a much larger organization in a closely related field and began pursuing their other passions.

Evolutionary, not revolutionary. Patience and understanding of the human condition are necessary for the consistent support and effort required to nurture this process and the organization's people.

# 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™.

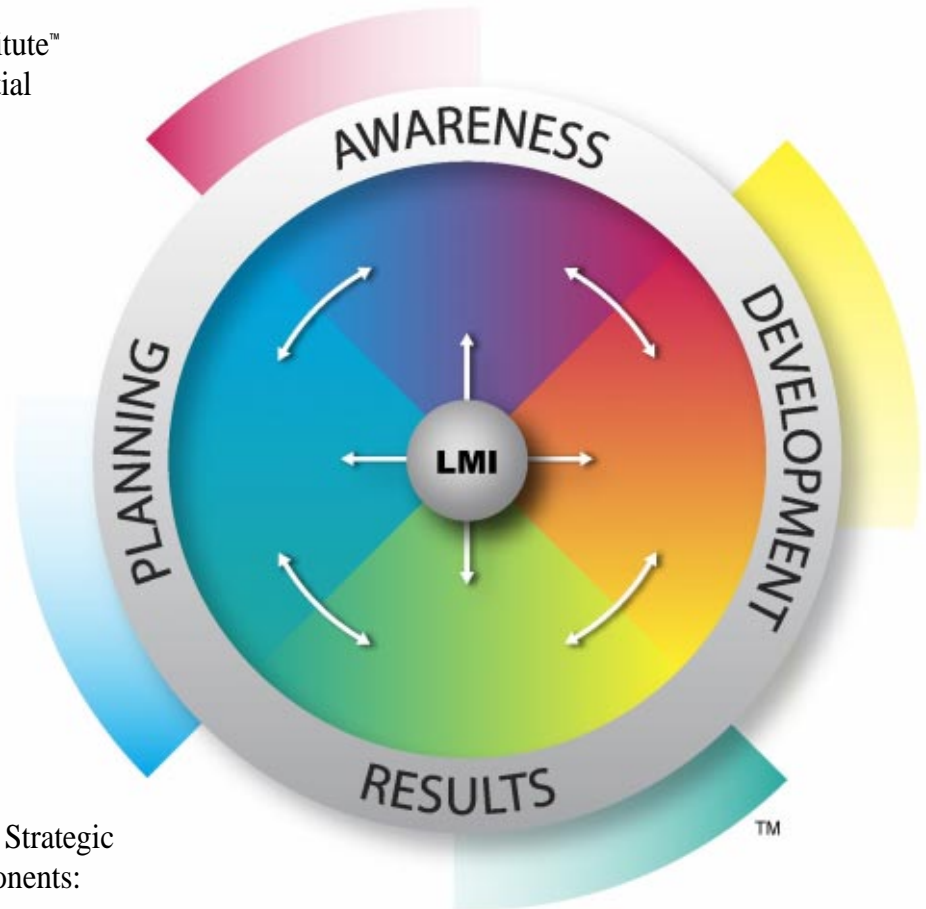
The LMI Process™ ...

- 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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