



▶ DEVELOPING THE NEXT GENERATION OF LEADERS REQUIRES PROGRESSIVE LEADERSHIP.....1



▶ IT IS NOT ABOUT THE TOOLS. FOCUS ON THE DESIRED OUTCOMES AND THEN WATCH THE GROWTH 1



▶ 7 TRAITS OF AN EFFECTIVE LEAN LEADER. ARE LEADERS BORN OR MADE? 2

Future *state news*

Progressive Business Leaders achieve the business objectives by finding, nurturing and developing leaders in their business who champion change, innovation and continuous improvement.

Developing the Next Generation of Leaders

By Hal Klein, PhD

You cannot have a great company unless you have great leaders in the company. And the best leaders have a deep commitment to building leadership talent throughout the organization. In fact, they regard this as privilege as well as an obligation.

Great leaders are characterized by a core set of beliefs and actions. They identify, attract, and retain the most talented, diversified group of high performers. They understand the core competencies and skills required to meet challenging business goals

and they have a willingness to surround themselves with highly capable staff.

Further, these leaders reward excellence, act as role models, and encourage personal and professional growth. They push decision-making to the lowest appropriate level and develop subordinates' confidence in their ability to lead, manage and impact the achievement of business objectives. They allocate sufficient authority and resources to subordinates to enable them to make significant decisions and act independently within their area of responsibility.

Continued on page 3.



It Is Not About the Tools

When talking with business leaders about leading process and technology changes in their organization, we find a general preoccupation with the tools of lean they are familiar with — things such as Kanban, SMED, Total Productive Management (TPM), MRP, etc. There are many such tools, and no doubt all are useful in the right circumstances. However, rather than pushing tools, we have chosen to focus on the desired outcomes. We find this is far more efficient. We only train when we have a need for a particular tool, and then the training is immediately reinforced by implementation. Planting the seed in the right season promotes deeper roots for long-term, sustained growth.



The 7 Traits of Effective Leaders

Are leaders born or made? Can you learn superior leadership skills? No one is sure, but experts have noticed seven specific actions that successful leaders carry out, regardless of the organization or cause they lead.

The following are the most common traits exhibited by effective leaders in a Lean environment.

1) Make others feel important. If your goals and decisions are self centered, followers will lose their enthusiasm quickly. Emphasize their strengths and contributions, not your own.

2) Promote a vision. Followers need a clear idea of where you are leading them, and they need to understand why that goal is valuable to them. Your job as a leader is to provide that vision.

3) Follow the Golden Rule. Treat your followers the way you enjoy being treated. An abusive leader attracts few loyal followers.

4) Admit mistakes. If people suspect that you are covering up your own errors, they will hide their mistakes, too, and you will lack valuable information for making decisions and process improvements.

5) Criticize others only in private. Public praise encourages others to excel, but public criticism only embarrasses and alienates everyone.

6) Stay close to the action. You need to be visible to the members of your organization. Take daily GEMBA walks. Talk to people, visit other offices and work sites, ask questions, and observe how business is being handled. Often you will gain new insights into your work and find new opportunities for motivating your team.

7) Make a game of competition. The competitive drive can be a valuable tool if you use it correctly. Set team goals, and recognize and reward members who meet or exceed them. Examine your failures, and celebrate your groups successes.



Center for Competitive Change™ *getting YOU to the future first*

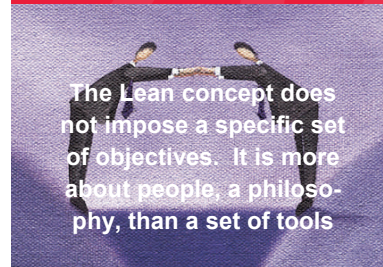
GET LEAN® 2008 Learning Series Schedule Is Set

The Center for Competitive Change, as a part of University of Dayton's Research Institute has set their 2008 Lean Learning Series Schedule. According to Paul Piechota, Executive Director of the Center for Competitive Change, "The Get Lean certification program has been designed

to help small to medium sized businesses advance their abilities to recognize and reduce unneeded, unwanted costs and understand, discover and implement new ways of conducting business and producing products and services." Capstone has partnered with

UDRI to bring you an outstanding learning opportunity. You can learn more about the Get Lean Series, by calling the Center for Competitive Change at 937.229.4653, or by visiting their web site at www.competitivechange.com

SMARTER LEADERS Leading from the Top



The Lean concept does not impose a specific set of objectives. It is more about people, a philosophy, than a set of tools

Radical transformation of a process is seen by most as risky. The perceived risks are personal (how will my role change?) as well as organizational (what happens if we fail?)

In our experience, with a highly motivated group, the risks are few — a good team will nearly always redouble their effort and make the necessary adjustments, rather than allowing a project they believe in to fail.

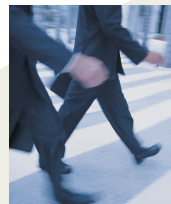
The real risk is the manager who fears change (or failure) more than he craves breakthrough. Therefore, continuous and active leadership from the top can encourage bold and comprehensive change.

Lean concepts can immediately clarify what avenues are, and are not, reasonable, thus minimizing waste time, frustration, and disappointment. And, using the Lean processes can mitigate the perceived risk.

Six Rules of Highly Effective People

Jack Welch, former CEO of GE, offered these rules to be a leader of people and organizations.

1. Face reality as it is, not as it was or as you wish it to be.
2. Be candid with everyone.
3. Don't manage, lead.
4. Change before you have to.
5. If you don't have a competitive advantage, don't compete.
6. Control your own destiny, or someone else will.



CAPSTONE ALLIANCE PARTNERS, LLC

Developing the Next Generation of Leaders

Continued from page 1;

The next generation leader believes in the strength, capacity and potential for growth and contribution of their people, and they will have the guts and intestinal fortitude to keep their development promises through thick and thin. It is in translating this commitment to consistent, purposeful action, often under fire (business downturn, budget crisis, etc.) that the true test of leadership is passed or failed.

We often find companies are not being lead by true leaders. Many business leaders are consumed working in the business, and spend very little quality time working on the business. Additionally, we have found that Managers, who are considered the business "leaders", are being rewarded by the way the handle ineffective processes and untrained human capital. And yet, they have seldom given consideration to the value of a shared vision. When asked to describe a personal weaknesses, they are unwilling to acknowledge that they have any, and are proud to say that there isn't anything going on in the business that they don't already have the answer for fixing -- albeit a band-aid solution.

That is not the case for real, progressive business leaders. The next generation of leadership know how to separate themselves from the pack and consistently display the following qualities.

- Have a clear, compelling vision that is shared and understood by others;
- Have a winning strategy for competitive advantage;
- Know their own strengths and weaknesses, and commit to having the best team in place for every single job within the company;;
- Set an example by maximizing their own output and impact;
- Know how to lead a team in ways that leverage team strengths;

- Ensure that all activities of the business are lined up with the strategic focus required to meet growth objectives; and lastly;
- Are committed to transforming the players and culture to take the company to the next level.

Ultimately, the leaders of tomorrow will achieve the business objectives by finding, nurturing and developing other leaders in their business who champion change, innovation and continuous improvement; leveraging leadership capability across business groups, fostering cross-organizational learning and building unity, alignment and capacity for execution amongst leadership teams at all levels of the organization. They will view these activities as a source of sustainable competitive advantage.

Businesses who have seen top line growth but have not recognized similar growth in margins are typically floundering due to leadership voids at various levels of the business. For more than a quarter of century, partnering with key executives, we have modeled the best practices in developing the next generation of leadership after what works, and gets results.

Recognizing that the new business climate requires stronger leadership skills, we believe it is essential that organizations commit to a more robust organization development processes. We use our best practices to guide businesses through assessment and realistic evaluations of performance and potential of the current and next generation leadership. Additionally, by implementing our proven processes, we have helped many businesses make significant step-changes in performance by helping to identify the requirements to meet the current and projected business challenges, and teaching individuals to become the Next Generation Leader.

Hal Klein is a Sr. Partner at Capstone and leads the Organization Development Center in Pittsburgh, PA. You can contact Hal at hklein@capstoneap.com or, by calling 724.593.6193.



CAPSTONE ALLIANCE PARTNERS, LLC

SOLUTIONS FOR BUSINESS PROCESS & TECHNOLOGY OPTIMIZATION

DAYTON · ATLANTA · JACKSONVILLE · PITTSBURGH

937-552-7216

www.ThinkCapstone.net

FUTURE STATE

WHAT TO LOOK FOR IN THE NEXT ISSUE:

Using Technology to Leverage your Future

- **Is your business a slave to the business system?**
We will provide you with a check list to consider when searching for and selecting your next technology leap. One of the many tools to ensure a successful future!
- **How do you leverage the experience of a third party system integrator to save you money on your system costs?**
We will explore why the Wall Street investment experts suggests now as the right time to make the investment, and how the selection of the right partner is key to your success.
- **Is there one factor that allows some manufacturing companies to succeed while others fail?**
The simple answer lies in manufacturing technique. We will share how to tell if you are ready to lead your team into the future.