# Leading Through Excellence

Freeing our creative powers,
Guided by our personal

standards of excellence,

**Unleashed on institutionally relevant issues...** 

The satisfaction of Excellence Achieved.

### Workshop Purpose

- To hone our leadership agenda with possibility thinking & collective, personal vision
- In a way that equips us with the financial savvy of CFO's and exposes the mental model of Chancellors, Mayors and CEO's
- So that we create financially-based visions of excellence for our institution.

### **Products**

- Demystify the world of CFO's
- Provide a framework for our creativity
- Foster a "learning organization"
- Stimulate possibilities, vision and our leadership message
- Unified on the importance of institutional image
- Assessment of teaming's importance to our mission and policy which may block it
- Appreciate the elegant solutions available to those who can unlock the delicate balances and interdependencies within educational institutions

# Workshop Agenda

	Mon/Tues	Wednesday	Thursday
8:30am	Finance Dept. at UPRM	Introductions The ValueTree™	Our Leadership Agenda Policy assessment Hasta luego
12 noon		Lunch	Lunch
	Deans interview	Leadership, Team and Vision	
5'ish		Image Management	
		dinner?	

### Success Looks Like...

Given The ValueTree, our team and Image messages Stand in front of the group and deliver a leadership statement

In a way that puts our vision within the context of our standards of excellence & directly link it to value through The ValueTree.

Conversational Pedagogy

Why might one consider conversation to be the oldest and easiest way to cultivate the conditions for change?

### Preparation & Introductions

 Fill-up your "do list" with items from home and work

# Be ready to share...

- Name
- Role
- Years in industry
- Summary word

My Do List
Summary: I feel

### Introductory Warm-up Question

What does this statement mean?

"The Future creates the Present against the backdrop of the Past."

### AD's Beliefs

- Regional uniqueness is non-negotiable in an increasingly global environment.
- Educational institutions help define the character of a region.
- Regions and their institutions need to be fiscally solvent to survive and thrive.
- Businesses and education are key discriminators for a region.
- Visioning is our unique ability to craft our future.
- Without vision, people perish.
- Synergies increase as we align personal visions.
- The sum of our daily decisions is our vision.

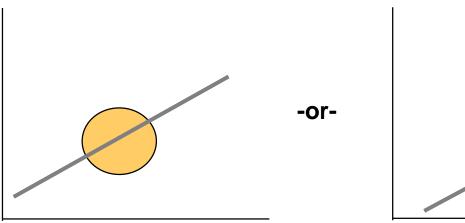
"We are in an all out brawl and there are no rules."

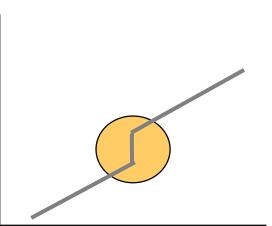
Paul Allaire-Xerox

# No Wiggle Room!

# "Incrementalism is innovation's worst enemy."

Nicholas Negroponte MIT Media Lab





# **DISTINCT ... OR EXTINCT!**

"If there is nothing very special about your work, no matter how hard you apply yourself, you won't get noticed and that increasingly means you won't get paid much, either."

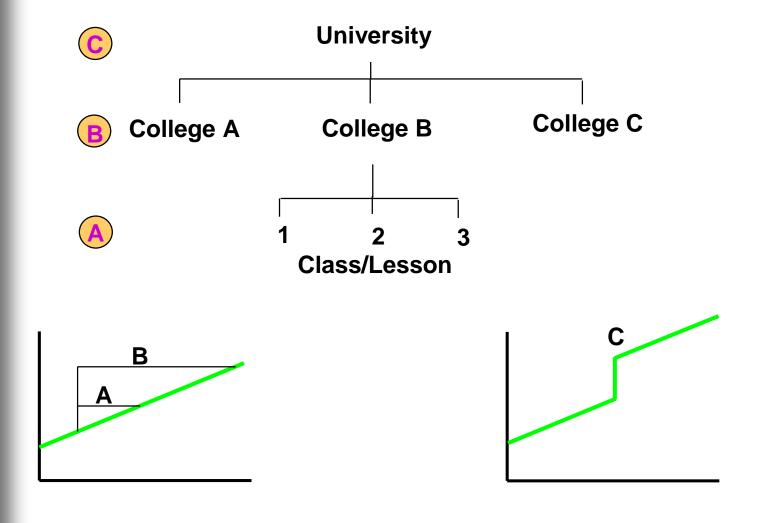
Michael Goldhaber, Wired

 What question did Singapore ask which led them to become the information gateway to Asia?

## Succeeding Globally

- 1. Successes of which we are proud
- 2. Strengths of UPRM compared with the rest of the system
- 3. UPRM discriminators in a global market

### Innovation: How much?



# Leaders Vision Finance

"Building financially-based visions of excellence"

### Module Purpose

To demystify the financial world of CFO's and expose the mental model of Chancellors, Mayors and CEO's

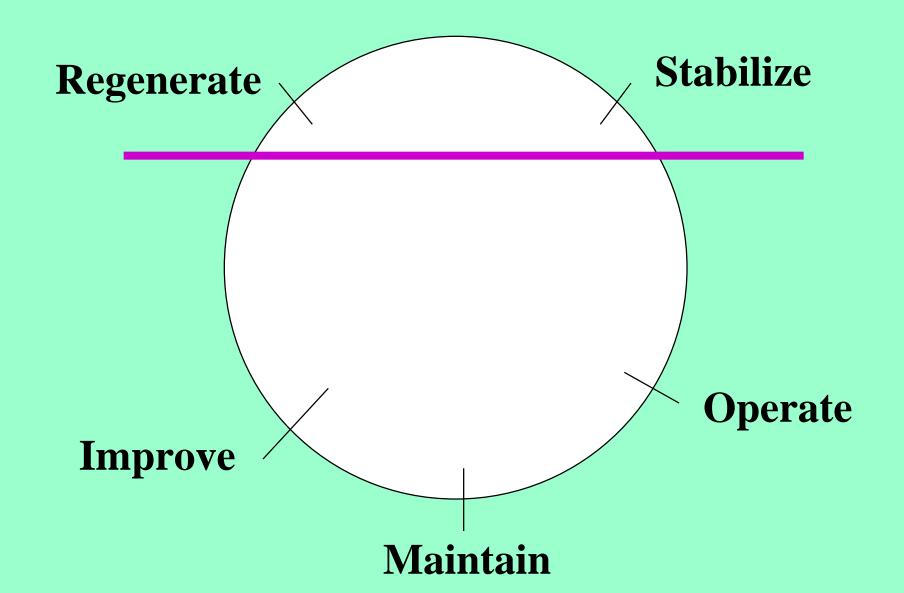
In a way that improves the effectiveness of our leadership

So that we are positioned as a group to create financially-based visions of excellence.

### Similar Businesses?

- We are both funded by customers to deliver a product.
  - Pratt takes raw materials and delivers a jet engine
  - Schools take a person and deliver a citizen
- Our customers "vote" in the marketplace with their feet.
  - GE or Rolls Royce products
  - Voucher movement / private schools
- Quality is defined by a specification.
  - FAA, military, industry standards
  - Mastery test scores, learning objectives, graduation requirements, accreditation
- Product must be delivered within funding levels
  - Shareholders get ever-increasing returns
  - Taxpayers get no tax increases year-over-year

# **Process Life Cycle**



### A.D.'s Beliefs

- 1. Most Municipalities and Educational Institutions are in a situation requiring a regeneration of their business.
- 2. You are accountable for leading the regeneration.
- 3. The lack of delivery on educational basics precludes the ability to influence strategic questions in a meaningful way.
- 4. The change process used must model the desired end-state.
- 5. Groups of people equipped with vision are uniquely empowered.

**Ultimately Possible** 

Hope — Reality

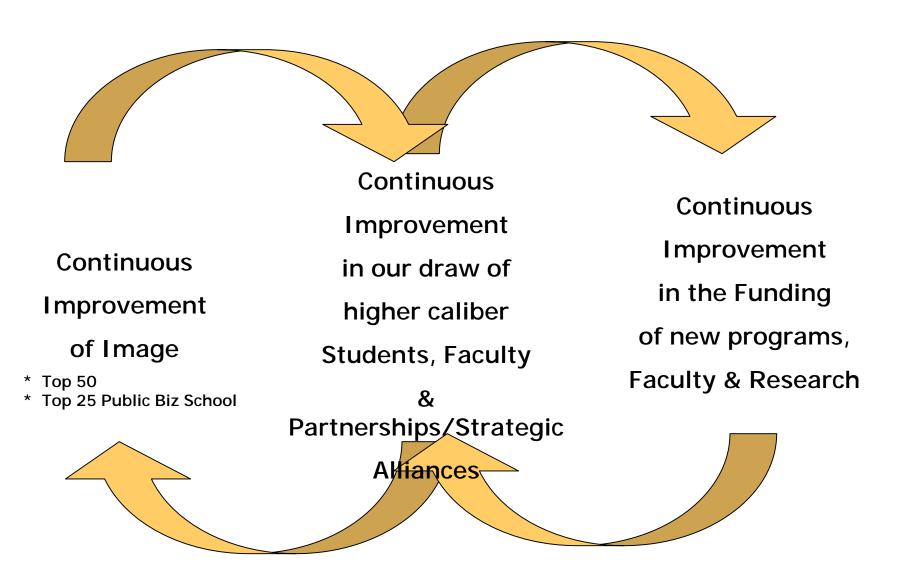
Immediately Impossible

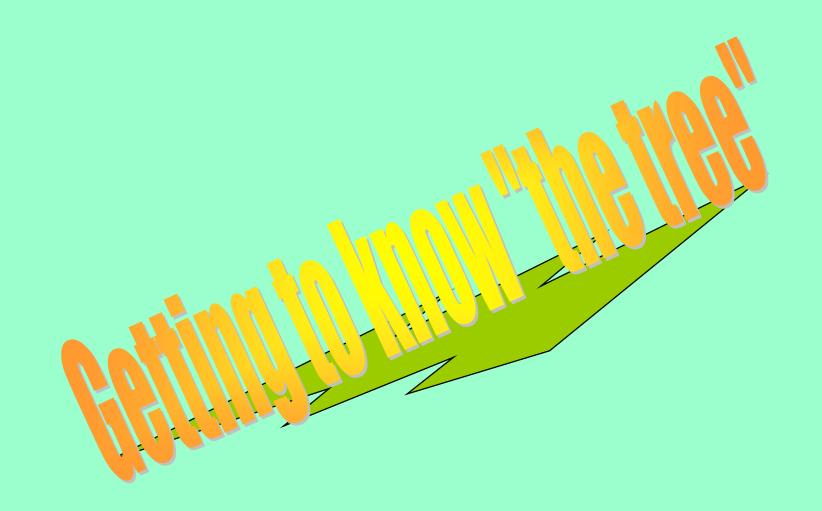
# Shifting Performance Using the Value Tree

### What is the Value Tree?

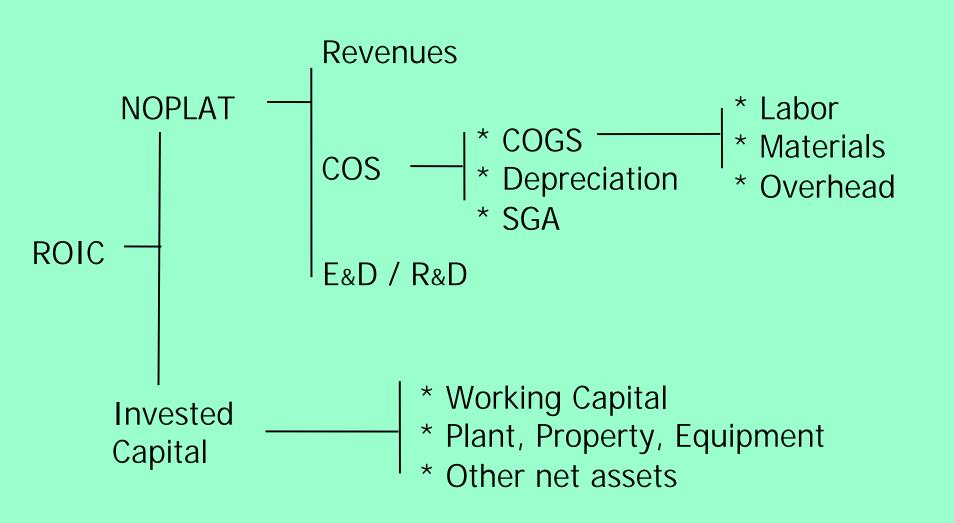
- Financial model of the business on one page
  - Visually oriented
  - Interactive
  - Easily understood by people
- Financial tool for developing business context
  - Interrelationships of various dollar flows
  - Drivers of business decisions
- Financial "range-finder"
  - Target identification
  - Target selection
- Financial-world de-mystifier
- Financial guidepost helping answer the essence question..."Is the institution increasing its value (how much its worth) or destroying its value?"

### Firing-up the engine...Why Institutional Image is Important





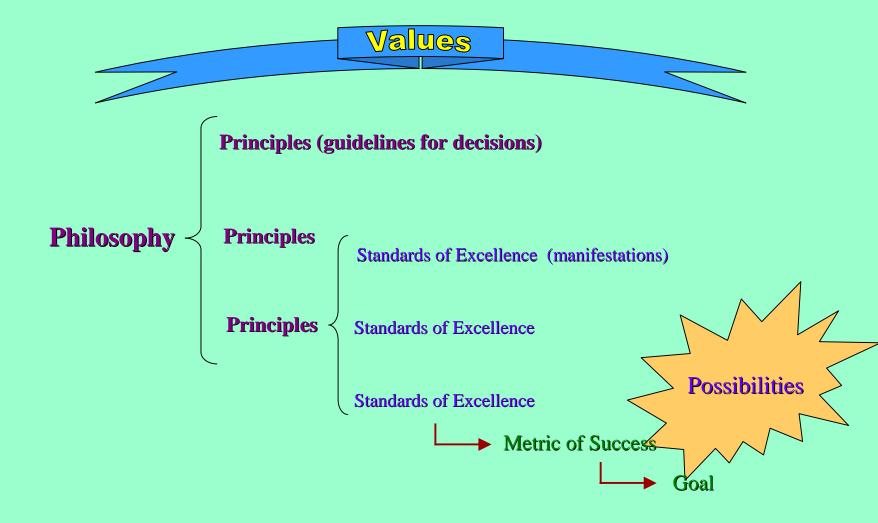
# The Value Tree Exercise



### The Value Tree for Targeted Insight Sales /Marketing: Quality of sales \$; preparing for improvements Fin. Analyst: Budgeting improvements **Profs:** Delivering the product Revenue \* Labor HR/IR: Enablers of change **NOPLAT** \* Materials \* COGS Procurement: Supply chain mgmt COS \* Depreciation \* Overhead \* SGA EHS/Med: Waste chain mgmt. **ROIC** E&D Quality: More than SR<sup>2</sup> \* Working Capital Facil./Maint: TPM & Utilization Invested \* Plant, Property, Equipment Capital \* Other net assets Senior Mgmt: Targeting & implications

Financial Planning: Detailing long-term performance

### Standards of Excellence



**Standard of Excellence:** the criterion for measuring or judging goodness as established by an authority.

## ...a key metric for the quality of our standards would be our bond rating!

These rating systems are similar, although not identical. The chart is a key to reading the ratings:				
Moody's	5 & P's	Meaning		
Asa	AAA	Bonds of the best quality, offering the smallest degree of investment risk, Issuers are exceptionally stable and dependable.		
Aa	AA	Bonds of high quality by all standards. Slightly higher degree of long-term investment risk.		
A	A	Bonds with many favorable investment attributes.		
Baa	BBB	Bonds of medium-grade quality. Security appears adequate at present but may appear unreliable over the long term.		
Ва	BB	Bonds with speculative element. Moderate security of payments; not well safeguarded.		
В	В	Cannot be considered a desirable investment. Small long-term assurance of payments.		
Caa	CCC	Bonds of poor standing, Issuers may be in default or in danger of default.		
Ca	CC	Bonds of highly speculative quality; often in default.		
С	С	Lowest rated class of bonds. Very poor prospects of ever attaining investment standing.		
_	D	In default.		

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Literature search...



### **NEWS & INFORMATION**

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Keith Jennings, k.jennings@asu.edu (480) 965-3504 October 10, 2003

### ASU's bond rating improves, on right track for financial health

The two major national debt rating agencies, Moody's and Standard & Poor's (S & P), have determined ASU is on the right track for financial health.

On Oct. 7, Moody's issued a report raising the university's revenue bond rating from A1 to Aa3 for new bond issues. The agency also raised the ratings on already issued bond series.

Another major bond rating firm S&P, is expected to issue a similar report improving ASU's Certificates of Participation Lease-Purchase financing rating from A+ to AA-.

Gerald Snyder, associate vice president for finance and university treasurer, says the improved ratings are more than symbolic.

"It's a positive, independent assessment of our credit worthiness and our institutional direction," he says. "An increase in ratings like this is a strong endorsement of the path the university is on. Bottom line, it reduces the rate we pay for bond-financed construction projects at our various campuses. Even more importantly, it makes debt issued by ASU more attractive to a wider variety of investors, making sales of new bond issues more effective."

Snyder says in most cases, it will reduce the interest rates paid on bonds by seven basis points or 7/100 of a percent.

"On the face of it, that may not seem like much on an annual basis, but over the course of the 30-year lifespan of most

### For example...



Return to About Edina

### **Bond Rating**

Independent bond rating agency Standard & Poor's in 2002 upgraded its rating for the City of Edina's general obligation bonds.

Standard & Poor's upgraded Edina's general obligation (GO) bond rating to AAA, the company's highest rating. Edina is just the fifth city in the state to receive the rating. Bonds issued by Minneapolis, St. Paul, Rochester, and Bloomington also have Standard & Poor's AAA rating. There are just 55 cities in the country with the AAA rating. Of those, Edina is just one of 20 with a population less than 50,000.

Moody's Investors Services, another independent bond-rating agency in 2000 gave the City of Edina its highest rating, Aaa. Edina is just one of three Minnesota cities to have the top rating from both agencies. The other cities are Bloomington and Rochester.

Standard & Poor's emphasizes four factors when assigning the AAA rating to a municipality. The factors are: strong and proactive administrations, effective debt management with moderate to low debt, a vibrant and diverse economy and strong finances.

### Edina they say...

According to Standard & Popr's officials, the AAA rating specifically reflects Edina's continued above-average financial performance with very high fund balance levels, ongoing growth of the local economy, which has continued to diversify the tax base and attract new development of both retail and commercial property despite the fact that the community is almost completely developed, and ongoing strong management practices." Additional factors include the City's participation in the Minneapolis MSA (metropolitan statistical area) and role as a first-ring suburb in the prosperous western suburbs of the Twin Cities and a manageable debt burden with most 60-backed debt supported by tax-increment financing or other revenue sources. The stable outlook attached to the rating shows Standard & Poor's expectation of the City's continued strong financial performance with good fund balances and appropriate management of its debt profile.

### Triple, AAA-rated Cities and Counties

### Cities..."the coveted 13"

- Cambridge, MA
- Charlottesville, VA
- Columbus, OH
- Dallas, TX
- Edina, MN
- Denver, CO
- Minneapolis, MN
- Overland Park, KS
- Santa Monica, CA
- St. Paul, MN
- Vancouver, BC
- –
- -

### Counties

- Albemarle County, VA
- Alexandria County, VA
- Arlington County, VA
- Dane County, Wisconsin
- Fairfax County, VA
- Franklin County
- Henrico County, VA
- Mecklenburg County, NC
- Wake County, NC

# Ind Class Lean Concepts



### Using the Tree

### Strategic Work (Best suited for the broadest perspective and the greatest accountability)

- Crystallizing the current state-of-the-business
- Challenging the key paradigms which define the approach to product, technology and organization.
- Targeting and quantifying areas requiring organizational effort

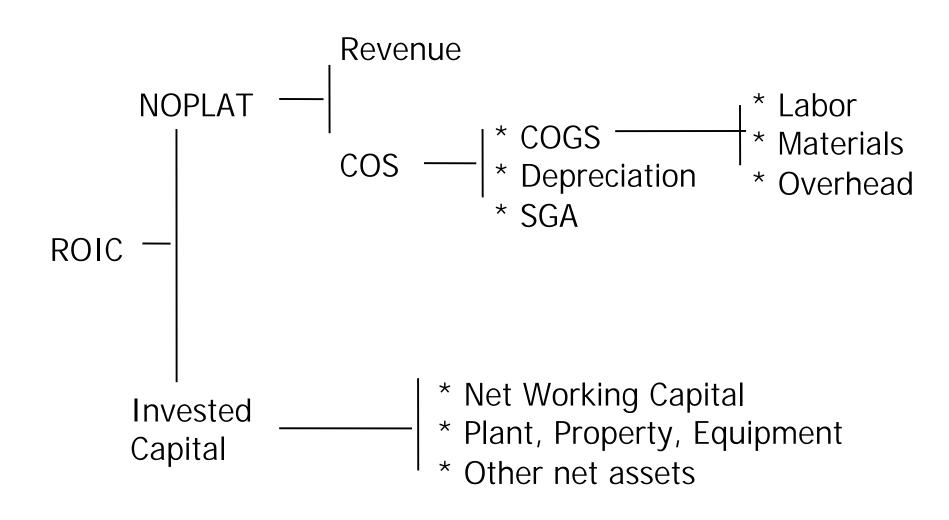
### Leadership Work (Best suited for "content experts" with industry understanding)

- Choosing the pallet of "world class" concepts
- Building stakeholder consensus
- Defining and designing approaches to deliver performance

### Operational Work (best suited for people doing the work)

- Understanding how money flows and how they relate to it
- Applying "world class" concepts
- Monitoring performance and taking corrective actions

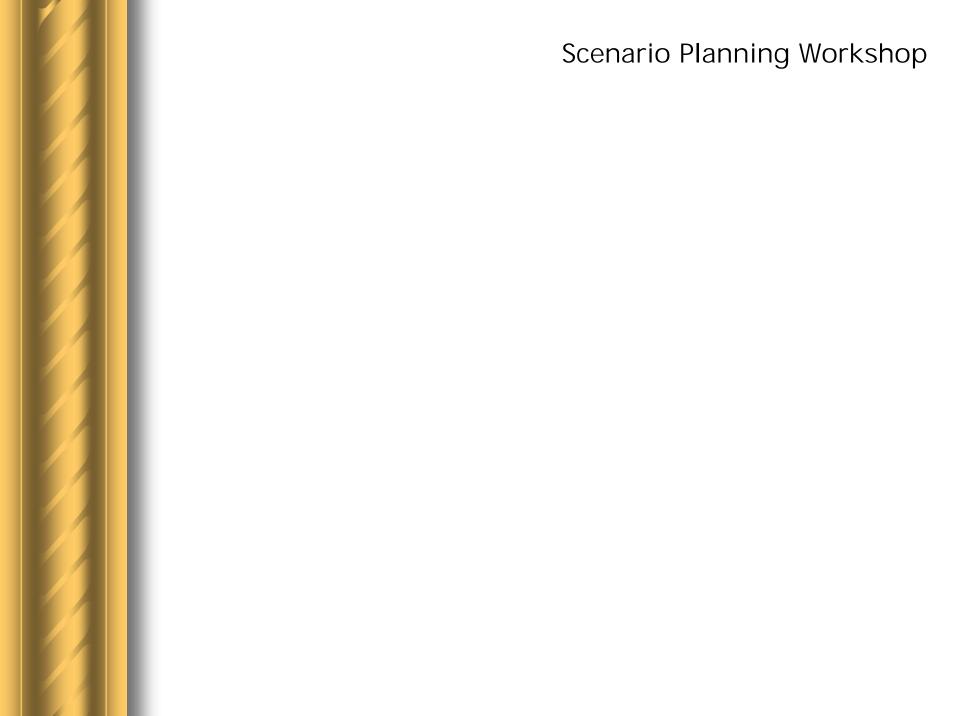
### UPRM's Challenge 2005





Success Looks Like...

Given The ValueTree
Let's have a conversation
In a way that sizes the possibility- thinking required by this group.



# Scenarios & Strategic Themes

# Challenge

- ✓ Marketing
- ✓ Pricing Strategy
- Trump Savvy Competitors

# **Difficult**

- ✓ Marketing
- ✓ Pricing Strategy
- Trump Savvy Competitors
- Customer Intel

# In The Money

 Customer Satisfaction/ Performance

- ✓Intellectual Property
- **✓Low Cost**
- ✓ Customer Satisfaction/

**Performance** 

# **Dogfight**

- ✓ Marketing
- ✓ Pricing Strategy
- Customer Intel

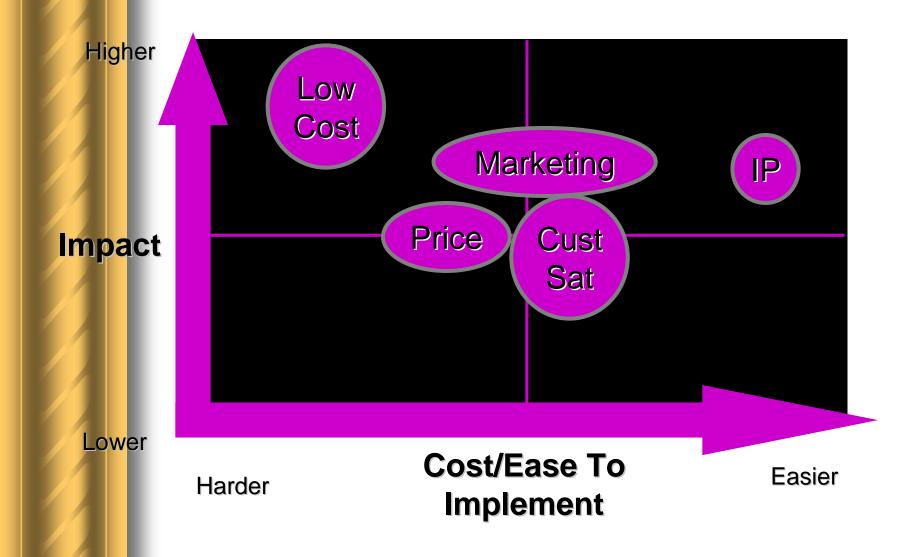
# Cool

- Customer Intel
- Technology Advancements

# Survivor

- ✓ Marketing
- ✓ Pricing Strategy
- Trump Savvy Competitors
- Gov't Imposed Barriers

# Theme Cost-Impact Analysis



# Leading Through Excellence

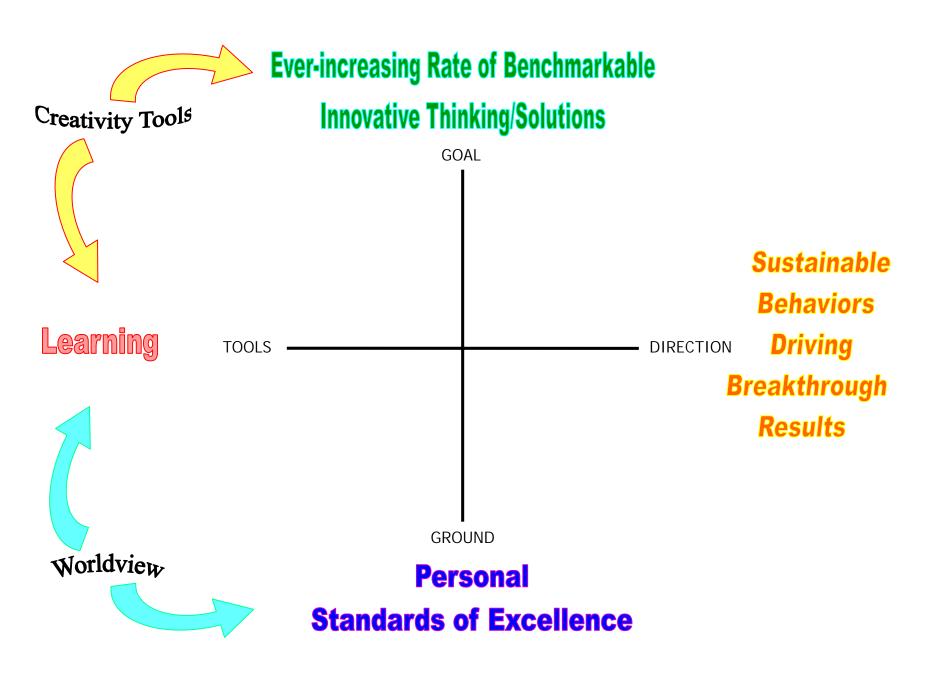
# The Purpose of this Module

To develop and articulate our personal leadership messages In a way that clarifies our standards of excellence and deepens our resolve

So that we set the conditions for innovative thinking, organizational learning and break-through results.

#### Take-aways

- Leadership and the ability to rally others
- Motivated to create results through personal standards of excellence
- Ability to set ever-increasing standards of performance by becoming a good learner
- Ability to create new solutions by broadening personal perspectives
- Improvements in team...teaming...teamwork
- Reduced friction in the daily communications
- Fostering a "learning organization"
- Demonstrations and measurements of learnings after this workshop



# Success Objectives

- 1. Given an awareness of your personal standards of excellence
  Stand in front of the group and deliver a leadership statement
  In a way that the standard is understood, we hear the phases "I believe" or "for me" or "to me," and the metric of success is clear with the phrase "I will not be happy until...".
- 2. Given non-negotiable direction from above and your personal standards of excellence
  Deliver the opening lines of the presentation to your group
  In a way that management direction is transformed into leadership within your sphere of control and the people involved have a clearly defined arena within which to be creative.
- 3. Given a group of people stating their views on a given subject Identify the world-view (paradigm) from which they speak, re-frame and offer an alternative world-view In a way that will allow new insights/solutions to be seen.
- 4. Given a person sharing ideas with which you do not agree
  State the belief which is foundational to their viewpoint
  In a way that allows you to represent their position in an accurate and unbiased way.
- 5. Given an awareness of your personal standards of excellence on teamwork and a group you are leading, Speak to the group about your vision and goals
  In a way that engages them personally and professionally in the success of the organization.

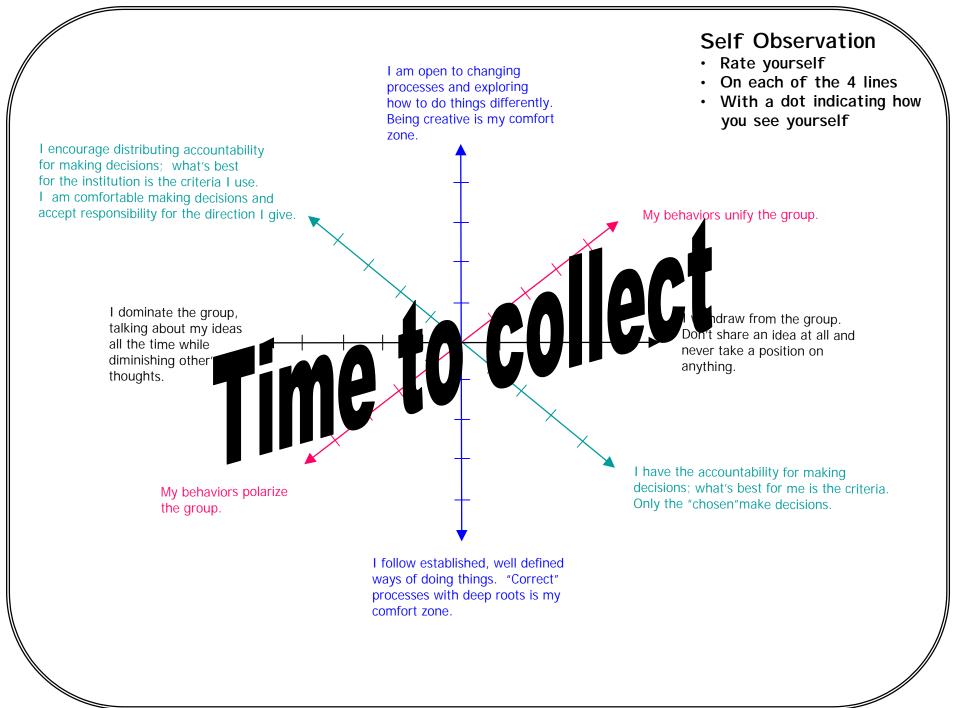
Let's talk:

"Leading from Any Chair"

# Premises about Learning & Leadership

- Good leaders are good learners.
- Good learners are good possibility thinkers.
- Learning is different than knowledge acquisition.
- Learning is inversely proportional to my level of personal distress.
- Learning is proportional to my curiosity.
- Leadership effectiveness drives from my personal Standards of Excellence and personal style (modified by Alex at UPRM).
- Learning organizations achieve continuously improving results with greater ease over time.

Question: Does my worldview preclude me learning from you?



#### **Self Observation**

- · Rate yourself
- On each of the 4 lines
- With a dot indicating how you see yourself

I am open to changing processes and exploring how to do things differently. Being creative is my comfort zone.

I encourage distributing accountability for making decisions; what's best for the institution is the criteria I use.
I am comfortable making decisions and accept responsibility for the direction I give.

I dominate the group, talking about my ideas all the time while diminishing other's thoughts.

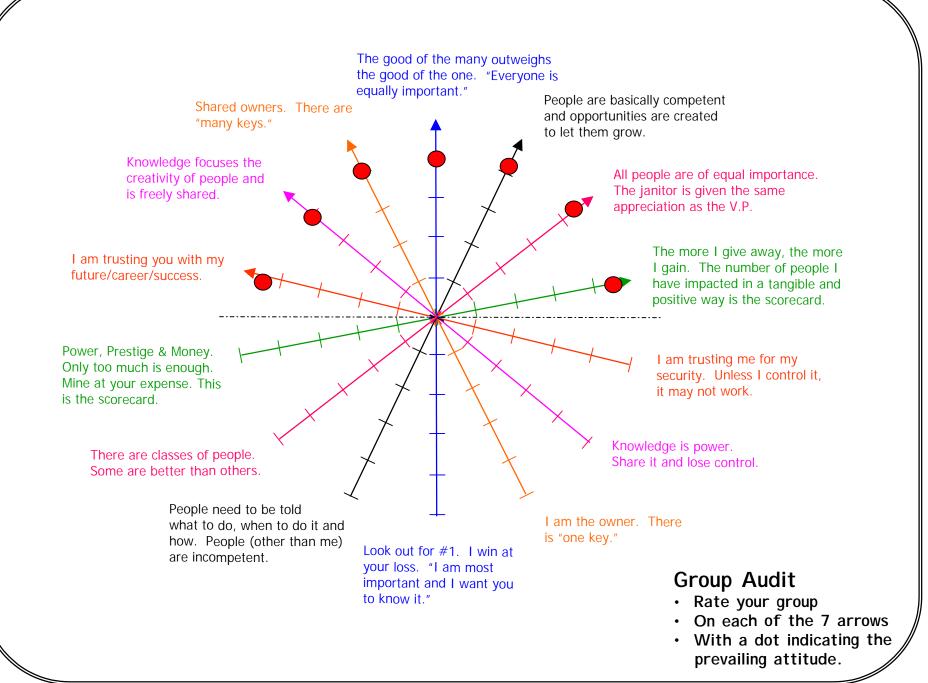
My behaviors polarize the group.

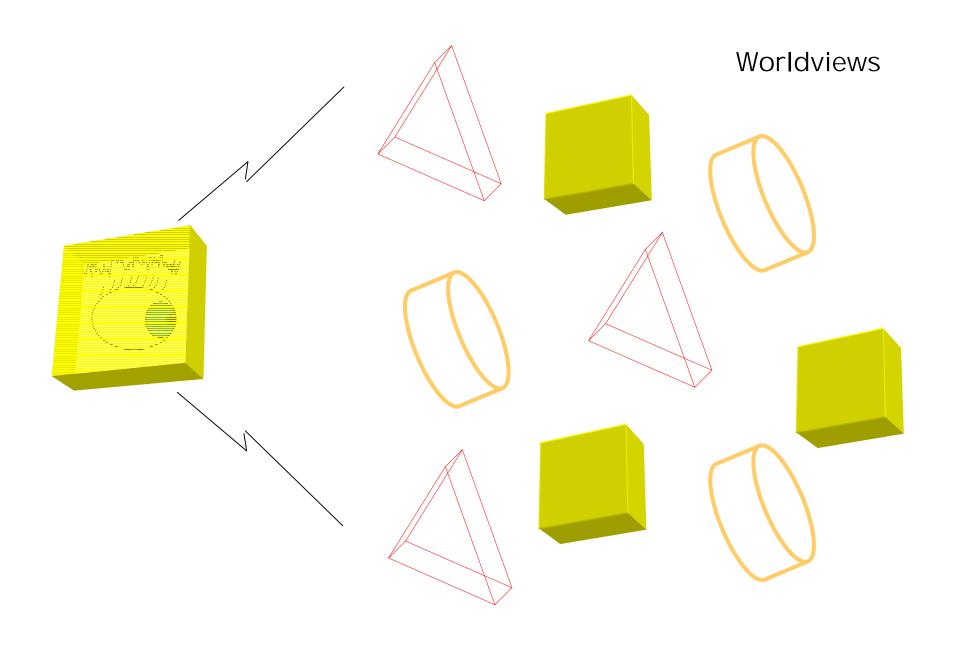
My behaviors unify the group.

I withdraw from the group. Don't share an idea at all and never take a position on anything.

I have the accountability for making decisions; what's best for me is the criteria. Only the "chosen"make decisions.

I follow established, well defined ways of doing things. "Correct" processes with deep roots is my comfort zone.





Joel Barker, Discovering the Future...the business of paradigms

#### **Declension of Team**

#### Team

- Group with common purpose
- Defined roles relative to the purpose
- Defined relationship to each other

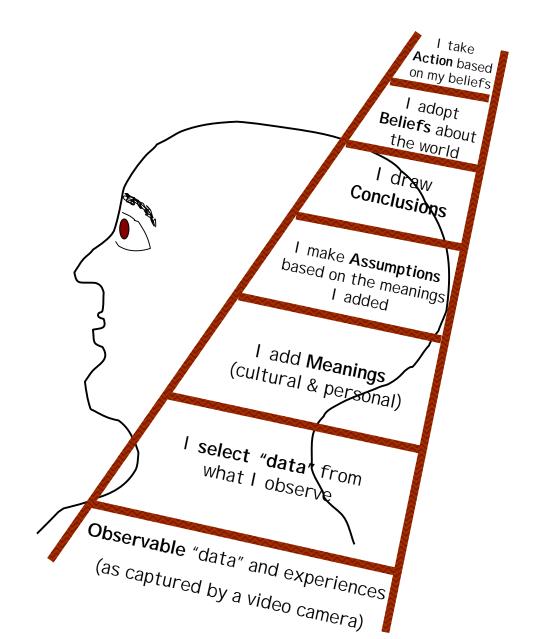
#### Teaming

- Coming together to solve something
- Collaboration to accomplish a task
- Common "language" and problem solving processes

#### Teamwork

- Interpersonal
- Effectiveness and efficiency of how people execute the task
- Subordination of personal prominence

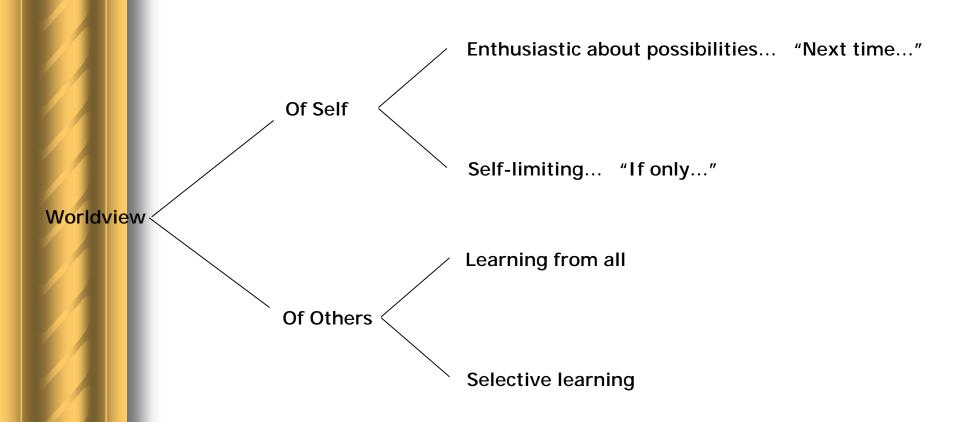
# Chris Argyris' Ladder of Inference

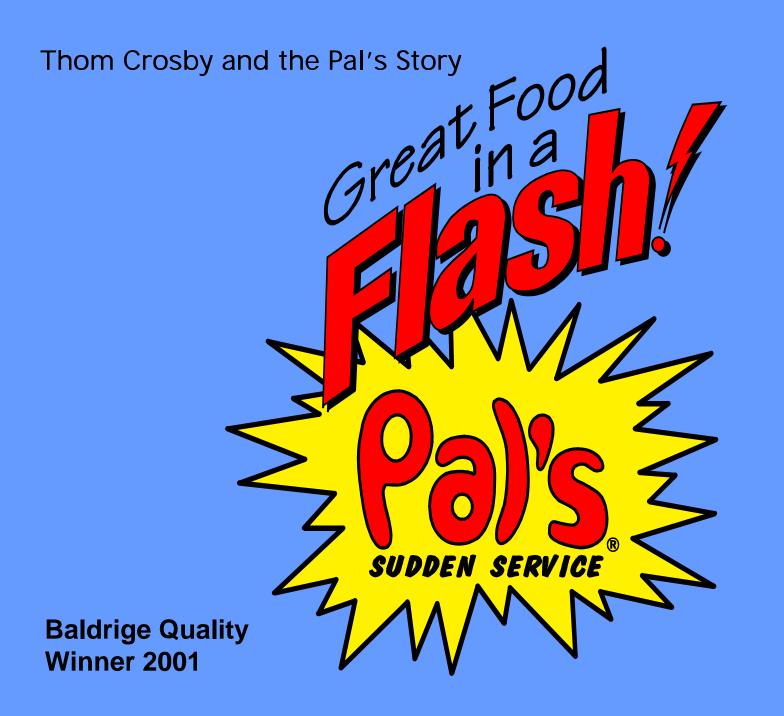




1923 – Present Cambridge, MA Harvard

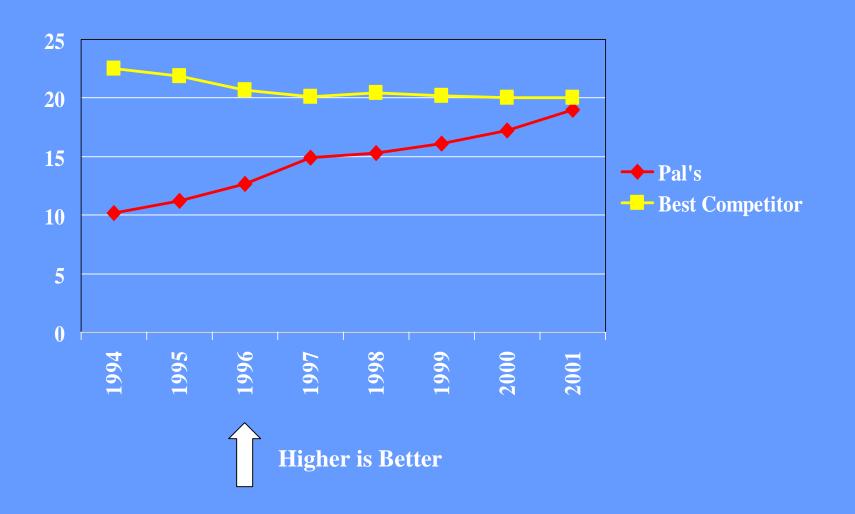
### A Worldview Conversation



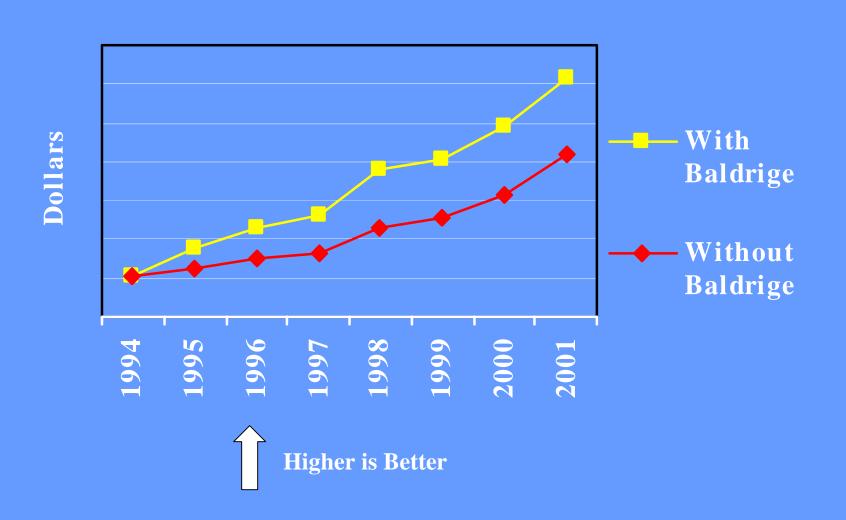




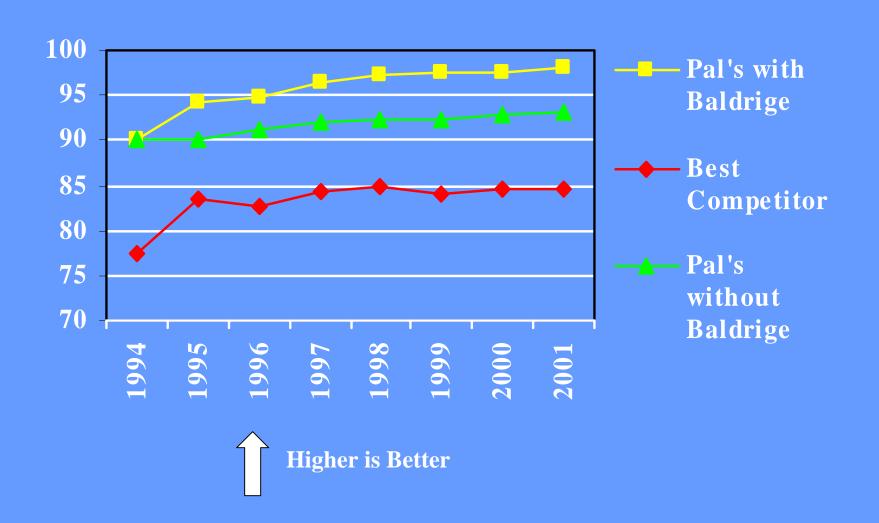
# Percent Market Share



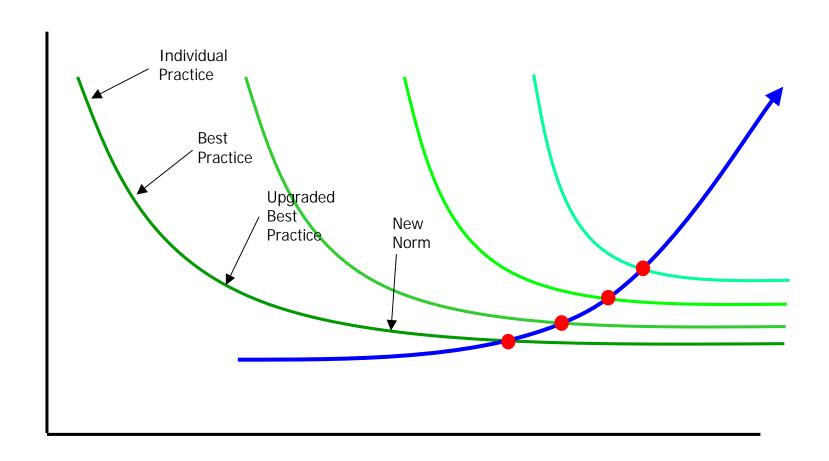
# Sales Growth

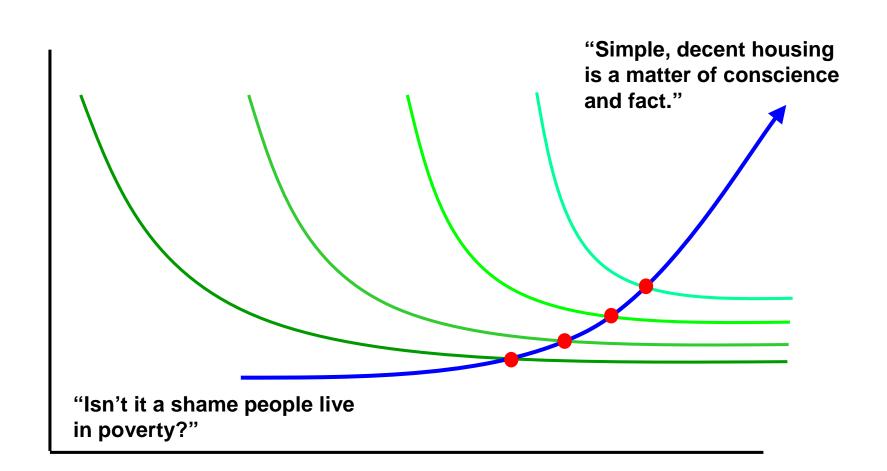


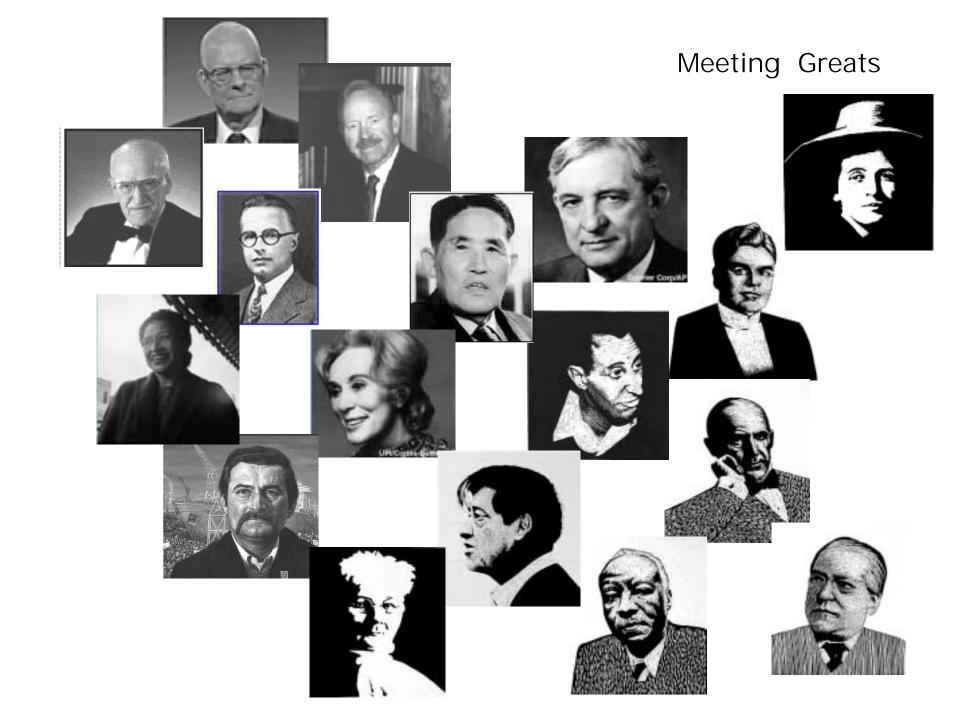
# State Health Inspection Scores



# Learning Organizations Achieve Continuously Improving Results with Greater Ease Over Time



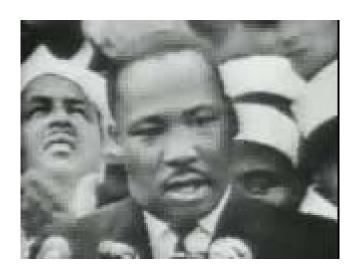




I say to you today, my friends, that in spite of the difficulties and frustrations of the moment, I still have a dream. It is deeply rooted in the American dream.

I have a dream that one day this nation will rise up and live out the true meaning of its creed: "We hold these truths to be selfevident, that all people are created equal."

#### Standards of Excellence



I have a dream that one day on the red hills of Georgia the sons of former slaves and the sons of former slave owners will be able to sit down together at a table of brotherhood.

I have a dream that one day even the state of Mississippi, a desert state, sweltering with the heat of injustice and oppression, will be transformed into an oasis of freedom and justice.

I have a dream that my four children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character.

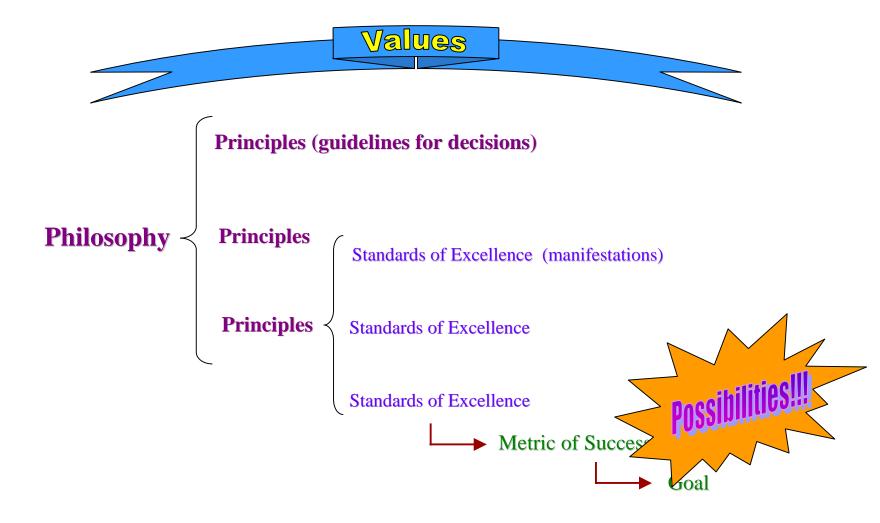
# Meeting the Greats

- Pick a person
- Read their bio
- Fill in the blanks...

What is Valued?	What is their standard of excellence?	Metric of Success?	Metric Goal?

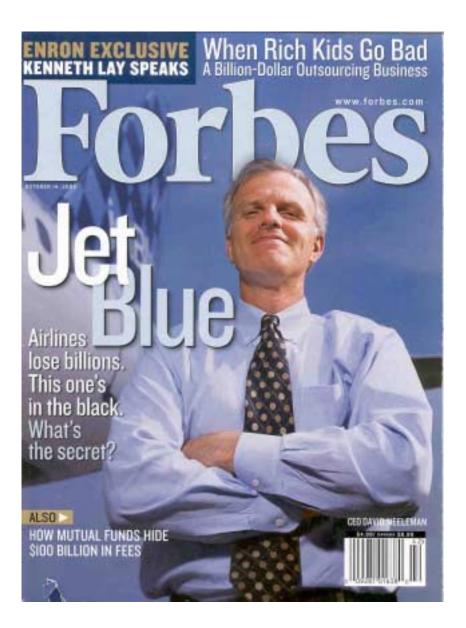
- Be the person to us
  - "I believe..." and "I will not be happy until..."

#### Standards of Excellence



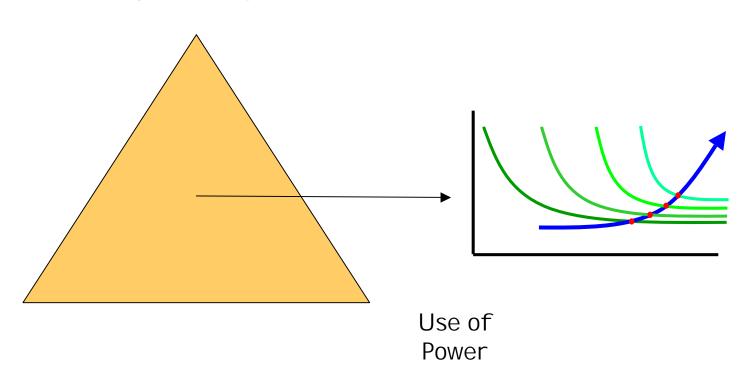
**Standard of Excellence:** the criterion for measuring or judging goodness as established by an authority.

# David Neeleman and the JetBlue Story



# Teaming for Excellence

Leading from Any Chair



Team, Teaming, Teamwork

# Metrics of Shifting Behaviors

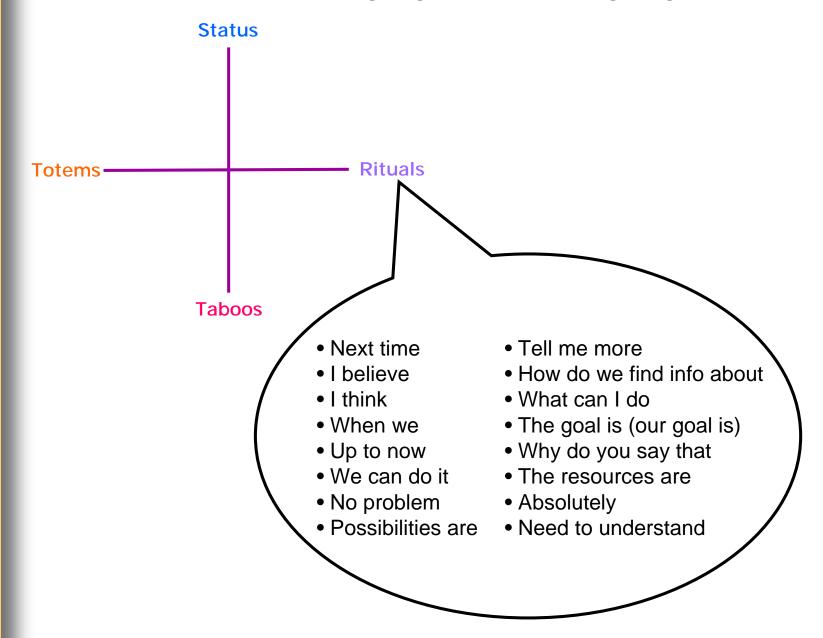
- Standards of Excellence
  - % people publishing

- Learning Organization
  - Constantly learning the standards of our customers and making that our standard
  - Institutional knowledge in use...person with the knowledge involved in discussions about the topic...see meeting areas in use on problem solving

\_

Team/Teaming/Teamwork

# Culture and the Language of a Learning Organization



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#### Take-aways

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- Improvements in team...teaming...teamwork
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# Image Management A Branded Experience

"Image"

"...a mental representation of anything not actually present to the senses; a picture drawn in the mind; idea...to portray"

- A sensory stimulus which summarizes an image.
- Webster says "...a mark made by burning with a hot iron to designate ownership, as upon an animal, or upon a container to designate the quality, manufacturer, etc. of the contents."
- The relationship between the product (university), it's mark and the intended audience.

Oxford







### "Brand"

 Brand Equity is the value system and positive associations affiliated with the mark and its products (university).

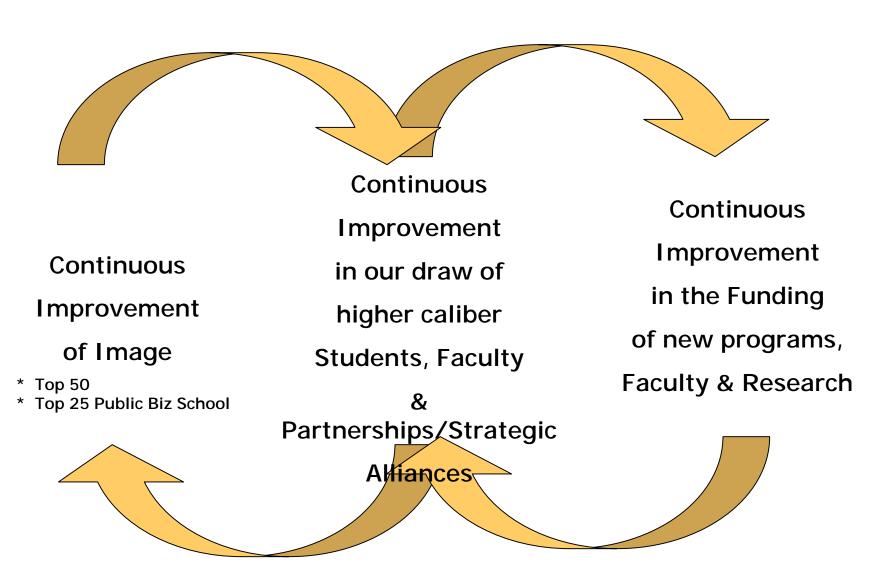
 Brand is not a logo + name. Companies spend a fortune creating logos + names and a REAL fortune creating equity over time by associating values with the brand.

# A Branded Customer Experience

- Systematic and disciplined management of the customer's experience.
  - From the time I come in until the time I leave, everything I experience with my senses has been thought through; even my experience when not present.
  - Is my experience definable, repeatable and predictable?



# Why Institutional Image is Important



### **Key Flow: Image Management**

### **Core Purpose:**

To create a shift in perception from current state to desired state in a way that the targeted audience receives facts, stories and images accurately and realistically

so that desired behaviors are experienced.

### **Core Process:**

"Advancing information in the public forum, for the purpose of contributing to public opinion." Harold Burson

### Product:

- 1. A measurable shift in
  - perception
  - behavior/action
  - opinion
- 2. End-state perception defined
- 3. Current-state perception defined
- 4. Plan/strategy for shifting

### **Key Beliefs:**

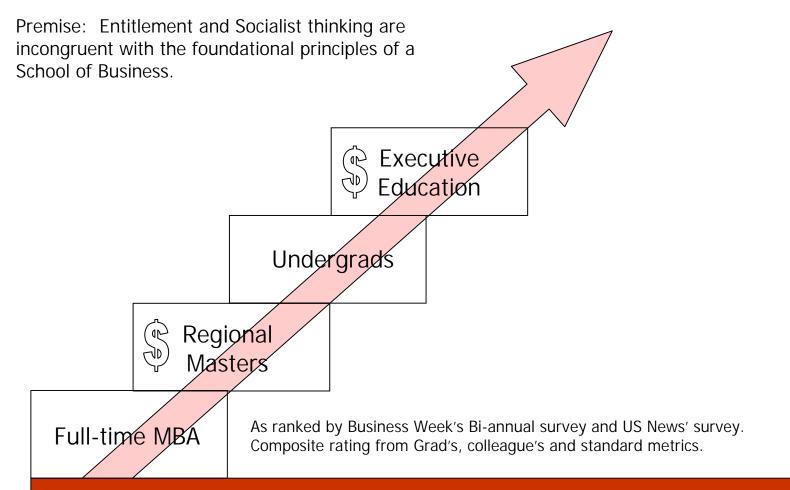
- 1. There is a "window of credibility" between the rational mind and the emotional mind among every target audience
- 2. A correlation exists between the "trust-bank" and the "window of credibility."
- 3. The window of credibility opens slowly and shuts quickly.
- 4. Image, not explicitly defined by me, will be defined by someone else.
- 5. Image management is an ongoing effort not a one-time event.
- 6. Image erodes overtime without continual maintenance.
- 7. Congruity must exist between image and reality.
- 8. Without strategy there is no creative (a good idea which does nothing is not a good idea).
- 9. Public opinion/acceptance is everything. With public sentiment nothing can fail; without it, nothing can succeed.
- 10. The molder of public opinion goes deeper than the one who pronounces decisions.
- 11. The public acts on information in its own perceived best interest.
- 12. Accuracy is paramount.
- 13. Image management advocates a particular point of view in the public forum.
- 14. Facts are objective, perception is subjective.
- 15. People behave emotionally.
- 16. The target audience owns the decision.

# **Image Management**

# Our Work

Image Man Target Audience	Image Desired	Why?	Metrics of Success	Current Perception	5-Why's to Root Cause	Messages We Must Send	"Medium" to Send Messages	Actionable Items

# Pathway to Revenue Generation



Research is the foundation. Creating knowledge is our passion. Reputation comes through # Articles/Prestigious Journals.

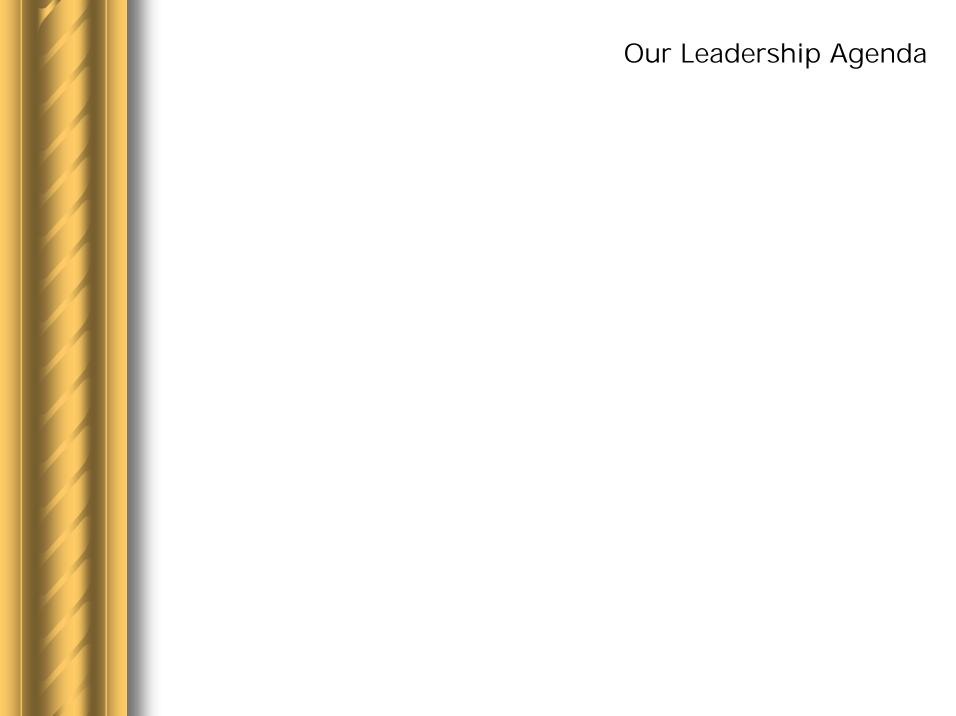
# **Target Audiences**

### Full-Time MBA

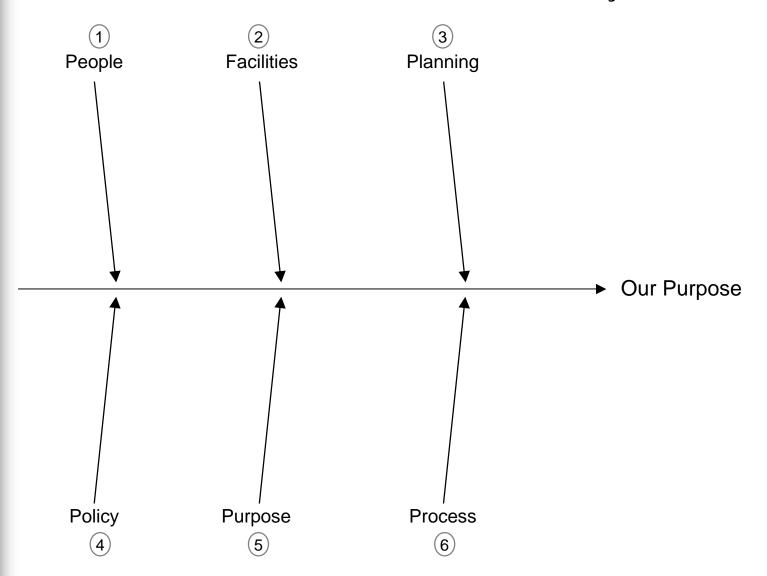
- Potential students
- Current students
- Corporate recruiters
- Deans and Directors of other schools
- Ranking Company staff people

### Stakeholders

- ≈ 60 Tenured Faculty
- Corporate "sponsors"



# Policy Assessment



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# Education, Humanity & The Domain of the School

