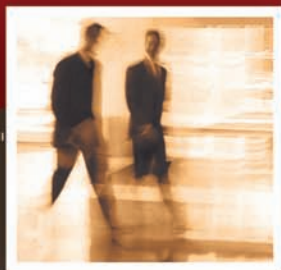


FOREWORD BY *Steve Forbes*

AFTERWORD BY *Zig Ziglar*

# HIGH-PERFORMANCE ETHICS



*10 Timeless Principles for  
Next-Generation Leadership*

WES CANTRELL  
JAMES R. LUCAS

## ENDORSEMENTS

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“This is a truly wise, remarkable book! Comprehensive in scope, beautifully written, compellingly illustrated, Cantrell and Lucas illuminate the mind, heart, and soul of high-performing leadership. Wondering whether it’s worth buying and reading and applying? Just study the inspiring chapter outline and listen to your conscience for your answer.”

**Dr. Stephen R. Covey**

AUTHOR

*The 7 Habits of Highly Effective People*  
*The 8th Habit: From Effectiveness to Greatness*

“Clearly, an ethics-free focus on performance is a superb way to destroy performance. . . . But what is perhaps not as obvious is the wealth and good that can come from closely connecting these two powerful concepts—ethics and performance.

In this wonderful book, Wes Cantrell and Jim Lucas show us what this connection looks like, and how it can be put to work to build prosperous organizations and careers.

You should find the style of this book appealing. It is a very personal case study encased in outstanding teaching. The focus is on the career of Wes Cantrell, an excellent leader and CEO who lived the precepts of this book in a forty-six-year career with Lanier.

The teaching comes from Jim Lucas, an internationally recognized authority on leadership and organizational life. . . . You can take what he says to the bank—both figuratively and literally.

*High-Performance Ethics* is a rare commodity, a book with a truly unique and provocative message that can actually make a difference in the way we act and the results we get today. Its message is as important as any you will hear now or in the years to come.”

**Steve Forbes**

PRESIDENT & CEO, FORBES, INC.

*Editor-in-chief, Forbes magazine*

“In an ever-changing society and business landscape, we need something solid and real to hang onto. Something that tells us how to do right, something that tells us how to do well.

*High-Performance Ethics* points the way to that ‘something’. . . . This book is based on principles that are thousands of years old, illustrated with examples as current and cutting-edge as today’s news.

You will do well to take the message you’ve received in *High-Performance Ethics* and apply it to your life and career.”

**Zig Ziglar**

AUTHOR AND MOTIVATIONAL TEACHER

*Founder, Ziglar*

“What a great book. Every young man and woman entering the marketplace would do well to internalize these principles. Every seasoned business veteran will enjoy the story. The section on Life Balance vs. Whole-Life Symmetry is worth the price of the book.”

**Andy Stanley**

PASTOR

“*High-Performance Ethics* is a must-read book authored by two people who have lived these principles in the rough and tumble world of corporate America. Wes Cantrell and Jim Lucas have done a masterful job of clearly and practically communicating what it means to be a person of integrity in the marketplace. Read it and you won’t be the same.”

**Howard Dayton**

CEO AND COFOUNDER

*Crown Financial Ministries*

“Finally, a book that ties high performance and ethics together. You don’t have to trade one for the other—you need both, working together, to create the healthiest, most productive work environment possible. Cantrell and Lucas show you how. Don’t miss this book if you care about developing your own high-performance, highly ethical skills.”

**Michael Kroth**

AUTHOR AND COAUTHOR

*The Manager as Motivator and Transforming Work*

“Understanding and implementing the ten firmly-grounded ethical principles in *High-Performance Ethics* will allow people to achieve a stronger clarity of purpose. If you embrace the ten outstanding principles and strategically apply them to your organization, the results will be transforming.”

**Ed Oakley**

CEO, ENLIGHTENED LEADERSHIP SOLUTIONS, INC.

Coauthor, *Leadership Made Simple: Practical Solutions to Your Greatest Management Challenges*

“Using real-life examples from their own careers, Wes Cantrell and Jim Lucas demonstrate to readers that ethical leadership is needed today more than ever. From the family living room to the boardroom and from the chamber of commerce to the legislative chamber, people respond to principled, ethical leadership. In their book, *High-Performance Ethics*, Cantrell and Lucas challenge their readers with the hard questions that every aspiring leader should be prepared to answer.”

**Sonny Perdue**

GOVERNOR OF GEORGIA

“*High-Performance Ethics* is a welcome ally in the struggle to restore America’s respect for the dignity and morality of business. Success never comes to those who, deep down, consider their chosen occupation to be morally reprehensible, and Cantrell and Lucas provide an effective antidote. Instead of viewing ethics as an obstacle to success, *High-Performance Ethics* reveals the seamless integration between the two. Every business professional can benefit from this volume’s performance-enhancing prescriptions.”

**Rabbi Daniel Lapin**

PRESIDENT

*Toward Tradition and the Ethical Capitalism Institute*

“Many successful people wish their work had more lasting significance. *High-Performance Ethics* provides a pathway to pursue both significance and success within our marketplace careers.”

**Lloyd Reeb**

AUTHOR

*From Success to Significance: When the Pursuit of Success Isn’t Enough*

“My personal experience of working in the financial world, over the last forty years, is that those who have succeeded in business or who have succeeded personally have, either knowingly or unknowingly, applied biblical wisdom to their decision making. Wes Cantrell is a man who has experience at the very senior level in corporate America. I have known Wes for almost thirty years and have observed that his consistent, growing faith allowed him to perform as a CEO with almost unparalleled success. He ran a huge company always relying upon biblical wisdom in his decision making. He has added his illustrative stories to the rare wisdom that Jim Lucas offers as he unwraps ten enduring principles for today’s corporate leaders. Jim draws from a wealth of experience having consulted with teams and leaders across multiple industries for more than two decades. It is a privilege to be able to endorse this book.”

**Ron Blue**

PRESIDENT

*Christian Financial Professionals Network*

“In *High-Performance Ethics*, Wes shares key insights from his business experiences that were built on a foundation of ethics. He shows how he learned the way of doing well by doing right, and how he learned to trust his business to the Lord when he was on the brink of total failure. This book is a breath of fresh air when corporate giants are crumbling all around us. Wes is a great model, and this book is a must-read for leaders of all ages.”

**Bobby Mitchell**

CHAIRMAN

*Fellowship of Companies for Christ International, Franklin Covey*

“Cantrell and Lucas remind us that high-performance leadership is ethical, and ethical leadership produces high-performance organizations. This is an *outstanding* book!”

**Adam Hamilton**

SENIOR PASTOR

*The United Methodist Church of the Resurrection*

“To know Wes Cantrell is to understand what drives his passion to do what is right. *High-Performance Ethics* presents some great stories that prove biblical principles are highly effective in the workplace, and offers great insight on how we can actually model good behavior. If we’re going to talk the talk, we must walk the walk.”

**S. Truett Cathy**

FOUNDER AND CEO

*Chick-fil-A*

“Business ethics can no longer operate at the margins of organizational life. It must be at the cutting edge of what all organizations care about today. *High-Performance Ethics* by Cantrell and Lucas vividly illustrates how to achieve enduring success through ethics. Indeed, if we are to achieve corporate excellence, the ten ethical values discussed in this book must become embedded in all aspects of our personal and organizational lives.”

**Phil Lewis**

DEAN, COLLEGE OF PROFESSIONAL STUDIES  
*Oklahoma Christian University*

“The writers have laid out biblical principles that when they are embraced will bring blessing to your life. Reading this book will challenge you to study and apply these principles everyday, both in your personal life as well as in business.”

**David Green**

CEO  
*Hobby Lobby Stores*

“Wes Cantrell and James Lucas have written a really good book. It is full of truth and wisdom, liberally seasoned with real-life examples and anecdotes of how to apply the principles it advocates. Scripturally-based and field tested, this book will have a long and valued shelf life, and I expect to use it as a reference point myself.”

**Dennis Peacocke**

PRESIDENT  
*Strategic Christian Services*

“I have found through the years that principles are timeless truths that can be applied to every generation. You will find principles in this book that will not only build your business, but will also build your life. It has been said that you do not have to remember what you said if you tell the truth. This book tells the truth. This truth will change its readers.”

**Johnny Hunt**

PASTOR





# HIGH-PERFORMANCE ETHICS

*10 Timeless Principles for  
Next-Generation Leadership*

WES CANTRELL  
JAMES R. LUCAS



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## DEDICATION

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To Bernadine, my loyal wife of fifty years, a person who reminded me in word and deed of the principles of high-performance ethics each time the going got rough, an encourager who believed in me and boosted my confidence when it seemed my world was coming apart, a rock of our Christian faith whom I credit for the success of our family.

In the early 1990s, *Fortune* ran a cover story about “the trophy wife,” an attractive, professional second wife who would underscore the success of a CEO and give him more impact, particularly at social events. Bernadine and I had dinner with some *Fortune* executives one evening and she asked them, “Why don’t you run an article about the CEOs who are true to their wives?” Their answer: “It wouldn’t sell. But it’s obvious that Wes married a trophy wife the first time.”

Bernadine is the light of my life and I’m still in love with her after fifty years. She is indeed a “trophy wife.”

– WES CANTRELL

This book is dedicated to everyone who has tried to do well and do right, and to do well by doing right—and to Peter Drucker, Kermit Gallagher, Robert Townsend, and N. T. Veatch, who showed me how.

– JAMES R. LUCAS

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## F O R E W O R D

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THIS BOOK COULDN'T be more timely. Corporate scandals still reverberate, the latest round concerning the "backdating" of stock options. Before these, there were mutual fund trading abuses and before these, Enron, WorldCom, Adelphi, and others. As we look over the business terrain of the past decade, the disasters that await us if we disconnect ethics from performance are obvious. Clearly, an ethics-free focus on performance is a superb way to destroy performance. The only thing it secures is a strong shot at jail time.

But what is perhaps not as obvious is the wealth and good that can come from closely connecting these two powerful concepts—ethics and performance.

In this wonderful book, Wes Cantrell and Jim Lucas show us what this connection looks like and how it can be put to work to build prosperous organizations and careers.

They bring "ethics" down from a lofty-sounding position in the clouds and make them real principles that real leaders can use to get real results. All too often, ethics are too amorphous or fuzzy or impractical to make any difference "on the ground." Sometimes they don't even make sense. But here we see ethics at work in building businesses, making decisions, dealing with people, developing relationships, and enhancing careers. There's nothing obscure or unhelpful in what Wes and Jim have to say.

And they put the idea of performance in context. They help us realize that genuine success over a long period of time can't be accomplished by building on ethical sands. Make no mistake, they are believers in healthy, strong ambitions and outstanding results. Their message isn't "Be good and still try to do well," but rather, "Be good

and you will do well.” Push ethics from the backseat to the driver’s seat, and your business vehicle will roar ahead.

You should find the style of this book appealing. It is a very personal case study encased in outstanding teaching. The focus is on the career of Wes Cantrell, an excellent leader and CEO who lived the precepts of this book in a forty-six-year career with Lanier. I’ve known Wes for many years, and I can tell you that what he says is genuine, on point, and proven by a great track record on both ethics and performance.

The teaching comes from Jim Lucas, an internationally recognized authority on leadership and organizational life. Jim has addressed these and other topics in four previous books, in keynote addresses, and in countless other presentations. He has a thriving consulting practice. He’s seen what works—and what doesn’t work—in numerous organizations and careers. You can take what he says to the bank, both figuratively and literally.

*High-Performance Ethics* is a rare commodity, a book with a truly unique and provocative message that can actually make a difference in the way we act and the results we get today. Its message is as important as any you will hear now or in the years to come.

—Steve Forbes  
President and CEO of Forbes, Inc.  
Editor-in-chief of *Forbes* magazine





# ETHICS & HIGH PERFORMANCE

## *The Remarkable Connection*

IN A FRIGHTENINGLY real sense, no organization is far from the edge of meltdown: ethical collapse followed by financial ruin.

One of the great companies of the last century was Merck, a pharmaceutical giant whose leaders made their values the centerpiece of the company's existence. They worried first about research and improving people's lives and health, and then about sales and growth. The company created drugs that would never be profitable, and then gave them away. Merck had done *right*, and it had done *well* by doing right.

And then came Vioxx—one drug in Merck's long and moral corporate history—and, without the guidance of *high-performance ethics*,<sup>1</sup> this giant stumbled. The company missed the mark at one end, by not being transparent when studies revealed potential negative effects of the drug. Then it missed it at the other end, by going beyond simple warnings to pulling the drug from the market and opening itself up to every lawyer in the Western world (the whole world, perhaps).

The first approach failed because it kept important information from a very small percentage of patients who could be *hurt* by the drug. The second approach failed because it kept an important drug from a very large percentage of patients who could be *helped* by it.

In the language of an ancient Hebrew proverb, Merck swung from being not righteous enough to being overly righteous. In that proverb, the penalty for acting without enough righteousness is to “die before your time,” and the penalty for acting overly righteous is to “destroy yourself.”<sup>2</sup> Merck may survive this self-inflicted disaster, but even so, it will have tarnished its reputation as the ethical gold standard for investors, employees, and other stakeholders.

There are debacles like Enron, where the organization is sick at the core, and where every nonconscience, non-sense step moves it further from high-performance ethics. And then there are tragedies like Merck, where the organization is largely decent but tries to compensate for one guilty and destructive action with another.

The potential costs are too high—and the potential competitive advantages too great—to miss the power of high-performance ethics.

## **Is There Really an Ethics-Performance Connection?**

Did ethical breakdown have anything to do with Merck’s performance meltdown? Well, yes. It had *everything* to do with it. Character really is destiny, for organizations as well as individuals.<sup>3</sup>

So let’s get right down to it: What can something as intangible and hard to measure as ethics possibly have to do with something as “real-world” and relentlessly measured as high performance?

Sure, ethics might make you a kinder, gentler leader, but how can they make any difference in the performance and results you’re expected to deliver in a hard-boiled world?

All too often, ethics and performance are viewed as unrelated concepts, like cell phones and solitude, or television and reflection. Of course, most would agree (at least superficially) that we should be decent and caring, but when we cut through the gaudy oratory of annual reports and press releases and get down to reality, many organizations consider ethics an expendable luxury.

## So What Are Ethics, and Where Do They Come From?

Part of the reason we don't always value ethics is that we aren't sure what they are and where they originate.

Are ethics something we can just make up? And if so, who gets to decide what they are? Some view ethics as simple platitudes, like the bromides children learn today in school (for example, "We are respectful . . . tolerant . . . nice"). Others consider ethics merely as moral fine points for academic debate, disputes best dropped when we move on to the real-world business of building successful organizations. Still others see ethics as the leftovers of a centuries-old human experiment in living together in society, or maybe an otherworldly collection of religious teachings. Whatever definition we choose from this list, we seem to be left with a chintzy version of ethics, a meager echo of past philosophies.

One writer on this subject recently proclaimed, "Most of us know right from wrong," so that the "essential challenge of moral intelligence is not knowing right from wrong, but doing versus knowing."<sup>4</sup> But in a world where phrases like "your truth and my truth" are the norm and disasters like the Enron scandal are commonplace, the writer's claim that most people know right from wrong seems highly questionable. In fact, this expert rattles his own argument: "We don't always agree on what is right," he admits. He goes on to argue that "no one philosophy is 'better' than another,"<sup>5</sup> and concludes that "within each of us are the values and basis for our moral compass."<sup>6</sup>

The problems with this argument are legion. Most important, many people actually *don't* know right from wrong. They just don't get it, or even want to get it. Many others often feel that ethically, they're in a dark room with a very small candle and too many shadows. Comparing various operating philosophies isn't going to make the distinction between right and wrong any clearer. Without a source of truth to rely on, without a standard to measure these philosophies against, we're all just making things up as we go.

Instead of staking our lives and organizations on the solid principles that can ultimately produce high performance,<sup>7</sup> we're instead likely to mold our "ethics" to fit our ambitions, goals, and desires.

## **Pathetic "Ethics" and the Forces That Devastate Them**

These lily-livered, self-made, self-interested, cardboard "ethics" are unlikely to survive three highly detrimental and interrelated forces.

The first force is (and has been from time immemorial) a basic human desire to look out for ourselves, all too often without regard for others—and not infrequently at their expense. Humans have an undeniable orientation toward selfishness and greed. We focus on getting what we want when we want it.

The second force arrayed against puny ethics is society's ongoing attempt to remove bedrock values from public and private life—to reduce ethics to a lowest common denominator so that they offend no one. Unfortunately, the loss of these values has the potential to harm a lot more than our organizations or families. When people lose any sense of the connection between freedom and prosperity on the one hand, and the underlying values that produce them on the other, it is only a matter of time before the freedom and prosperity deteriorate and then finally evaporate.

The third force that erodes flimsy ethics is the idea that people are merely the physical products of a long, random, mindless process, rather than complex spiritual beings who can make choices (and who should therefore be responsible for their actions). Setting aside the current debate about overarching biological processes, it's hard to imagine how a view of human life based only on survival of the fittest (surely not the most honorable ideal) leaves any room for ethics. Such a view demands that might *makes* right. Where in this worldview is the call to pass up an opportunity because it is marginally wrong, even if it will increase our market share? Why stand up for a principle when there appears to be no material advantage? People who embrace

this brutal outlook on life eventually come to see that they have no compelling reason to care for the most vulnerable people in an organization or society, or even for the earth and its resources. If a species becomes extinct or a careless organization destroys an ecosystem or twenty-five thousand careers, why should they mourn? Isn't this just the way the world works?

## The Durability and Triumph of Solid Ethics

In this book we respectfully suggest that there is a better way to think and live. And this better way—the ethical way—happens to lead to an outcome so counterintuitive that even sharp, highly placed leaders frequently miss the connection.

The road of principle *is* the road to higher performance and richer results.\*

Many people have asked me just when it was that I decided I was going to become president of Lanier. Was it when I was first moved up into management as a sales/branch manager back in 1959? Or maybe when I became the district manager in 1962? Perhaps in 1972, when I became national sales manager? The answer to that question surprises most everyone who asks. You see, I never actually decided that being president was my overriding objective. I believed that the most important thing I could do for the company and for myself was to assure success in my present position and not to focus on some personal dream for the future to the neglect of current realities. There were many executives I knew who wanted their next promotion so much that they were willing to do almost anything. In many cases, exaggerated results that looked good on the surface turned out not to be so good once time had passed and audit information had become available.

\* Throughout the book, the vertical line denotes Wes Cantrell recounting highlights from his career.

My consistent message to the field was, “Build a strong team in your present position, just as though you were going to be in that same job for the rest of your life.” I believe that is the way to build a successful career and a great company.

That’s not to say that I hadn’t thought about the fact that someday Lanier would need a president. My boss, Gene Milner, was chairman, and the company would be going public in 1977. By that point, I was doing the job of the chief operating officer and I knew that I could possibly be a candidate for president. Although I wanted the job, I chose not to focus on it. I knew it wouldn’t be healthy for the company—or for me personally—to concentrate on anything but doing my current job well.

A Lanier family member who worked under my direction was the most likely candidate to be president. I had always heard that blood is thicker than water, and I thought in the final analysis he would probably be the family’s choice.

Doing the right thing rather than trying to claw our way to the top is a much better way to live. But it also positions us to be successful where we are, to earn trust, and to be available and prepared when new opportunities present themselves. Texas Instruments declares that “We view our reputation . . . as important an asset as the high technologies that we develop and bring to our marketplace.”<sup>8</sup> As Stephen Covey notes: “The only way to acquire moral authority is through your character and contribution, to live in such a way as to merit the confidence and trust of other people. Moral authority is especially important to business. This is because in order to reduce costs, increase production, and nurture a culture of innovation—all of which are important criteria in today’s global economy—you’ve got to have high trust among your workers and partners.”<sup>9</sup>

Ethics are derived from bedrock spiritual principles that people can know and understand. Of course, character must be developed

and disciplined if we want the integrity to move beyond lip service and actually live our ethics. Great leaders live the principle, “Whatever your hand finds to do, do it with all your might.”<sup>10</sup> Even while watching others push for success directly, these leaders stick to their principles and mentor their teams to do the same. They stay focused and work hard, always keeping their ethics in the foreground.

The truly surprising fact—something people frequently miss when they calculate an assumed trade-off between principle and performance—is that *ethical leadership creates high performance*. By doing *good*, we can do *well*.

In mid-summer 1977, Gene asked me to set up a meeting honoring Sartain Lanier. We had just finished a good year and I had a special plaque prepared for Mr. Lanier relating to our results. I planned to make the presentation during our meeting at the Terrace Garden Inn in Buckhead, the high-rent district of Atlanta. All the top executives arrived and we had a nice lunch.

Just as we were preparing to start the ceremony, my wife walked in. I knew then that something unexpected was happening, something that involved me. The element of surprise made it even more special.

Gene Milner stood up and began to talk. He briefly reviewed my twenty-two-year career with Lanier, emphasizing my dedication and hard work. Then he announced that I had been elected president of Lanier by the Board of Directors. I was elated; I could hardly believe my ears. Gene presented a letter to me, which I have framed and hanging on my office wall, which reads as follows:

*Dear Wes:*

*I consider it a great privilege to inform you that the Board of Directors has elected you President of Lanier Business Products. This honor and position with this company is deserved by your*

*tremendous and effective performance over the last twenty-one plus years. Your integrity, ability, loyalty, and exceedingly hard work have made this a most deserved promotion. Much appreciation for your past performance and many congratulations on your promotion.*

*Cordially,*

*Gene W. Milner*

*Chairman of the Board*

An unexpressed personal dream came true, and since the company was going public, the timing could not have been better! We were off on the most exciting journey anyone could imagine, and I had the job that down deep in my heart I had always wanted—but had not sought.

Too often, ethics and high performance are regarded as two distinct and largely unrelated subjects. But there is a deep and intimate connection between them. Ethics that draw on the best in leaders, people, teams, and organizations can provide a truly sustainable competitive advantage over organizations that lack a strong commitment to values. Citing the Dow Jones Sustainability Group Index, one study noted that “companies using ‘triple bottom line’ measures of economic, environmental, and ethical sustainability outperform other companies on the stock market.”<sup>11</sup> Another reported, “approximately 46 percent of EBIT (earnings before interest and taxes) is explained by the variable of corporate culture, or cultural ‘buy-in,’”<sup>12</sup> at least a portion of which includes ethical commitment.

It is difficult (if not impossible) to sustain high performance in a values vacuum—as Enron proved when the company made it into the Fortune 10 and was named the “most creative company in America,” right before an integrity outage led to its total collapse.<sup>13</sup> The problem is that *any* organization could grow up to be like Enron. Innovation in



the business model can easily devolve into innovation in ethics, truth telling, and accounting.

“A company is doomed to mediocrity,” said Howard Schultz, founder and CEO of Starbucks, “unless it has passionate staff who believe in its values and its message. . . . If you don’t have passionate people believing in the values of your company, your message will be diluted and mediocrity will set in.”<sup>14</sup> And they can’t believe in the values if you don’t have them.

## Principles Need More than a Friendly Nod

In order to reap the benefits of high performance, we have to cultivate our principles over time, building them into our characters and organizations, training our consciences to know right from wrong, and disciplining ourselves to choose right—even when those right choices cost something in the short run. Long-term success is more than focus and hard work and talent and commitment. It’s also integrity that stands out so clearly that others can’t help but see it.

We never really know when and how our integrity will be judged, which is one reason that leaders simply can’t afford to switch their principles off or on in response to the needs of the moment. Situational ethics are no ethics at all.

For some time, I pondered how this promotion had happened. My mind drifted back to the late 1950s, shortly after I’d started with Lanier. I was a salesman in Augusta, Georgia, at the time and I was in Atlanta for a meeting. Gene called me aside and suggested we have a private luncheon, away from our group. I knew this meant that he had something he wanted to discuss with me, something important.

As we were having lunch, Gene said, “I’ve heard that you will not even have so much as a social drink. Is that true?” I confirmed his suspicions, and he became direct and strong. He wasn’t exactly angry, but he glared at me as he told me,

“You’ll never make it big in Lanier unless you start drinking.” He added that he would be insulted if I invited him over to my home for dinner and didn’t offer him a drink.

I thought carefully about the commitment I had made as a young man. In a Sunday school class, I had made a promise to God and myself that I would not use tobacco or drink alcoholic beverages. I was aware that many Christians don’t believe these habits to be wrong, but I was convinced that these habits were not for me. And now, the real question was whether I would honor my commitment. I remembered my promise and decided that I must keep it.

Carefully considering my choice of words and mustering my courage, I replied, “I guess I’ll have to be your best salesman in Augusta for the rest of my life.” Gene looked at me for a long time, and then we returned to our meeting with no further discussion. To say this was uncomfortable would be a grand understatement.

Was this the same man who would one day announce my promotion to the position of president? The same man who said I “would never make it big”? Wasn’t the job of president “making it big”?

Whatever Gene’s intent, I knew that the proposition he presented was a test. The one agenda item for the lunch was drinking. The man who ultimately controlled my career was testing me—would I compromise?

I now believe that if I had compromised, Gene would have lost confidence in me. He was checking to see if I would stick to my guns—even when it might cost me something that was very important to me. He had little respect for those who wouldn’t stand up to him.

Little did I know how important that luncheon discussion was and how a compromise then would have certainly cost me the opportunity to “make it big” in the years to come. In that

moment, the first stepping-stones were laid that would provide a path to future changes at Lanier, changes about which I could only dream early in my career.

For Gene Milner, the real issue was Wes's character, not whether or not he would take a drink. In fact, Gene was actually hoping Wes would stick to a position with which Gene himself did not even agree. When we take a stand on principles, people will always be watching to see if we stick by those principles under pressure. Their disagreement with our principles might be secondary to their judgment of our character. Will we hold to our commitments despite the fierce disapproval of others—especially people who count?

### **Sticking by Principles Has a Cost, Not Just a Payoff**

To be sure, there are others who have suggested that we can do well by doing right. The bookstores are filled with business leadership books that try to incentivize readers to do right by showing that there is a payoff. Some of their advice is so basic as to be useless in the real world of politics, economics, culture, business, or relationships.<sup>15</sup> Some of it derives from complex philosophical systems that lack business relevance. But the fundamental problem with many of these teachings is that they miss the fact that the payoff from good principles is a lot like happiness: It is a by-product of living a life of value and integrity, not something we can go after directly.

In the long run, ethical leadership builds high performance and unmatched results, a reputation for trustworthiness, and enduring success. In the short run, however, we may feel that we're missing an opportunity or paying a steep price for holding to our principles.

Samuel Goldwyn of MGM fame once said, "I don't want any 'yes' men. . . . I want people to tell me the truth, even if it costs them their jobs." How do principles help when we are faced with a situation where

speaking the truth could cost us our jobs (or clients or customers)? In such a case, sticking up for truth brings risk or even short-term loss.

Even in organizations that have taken the time to identify their core values, those values too often are dropped when the short-term costs seem to outweigh the long-term benefits. But what is the worth of a value like integrity if it doesn't include telling the truth when it costs something? Does having integrity simply mean that we won't overtly lie or steal? Or does integrity include, for example, expressing disagreement rather than pretending to agree in order to earn a few points with someone in power?

Either there is a playbook of fixed principles or there isn't, and if there isn't, then ethics are very fragile indeed, likely to shatter at the first sign of difficulty or personal sacrifice. But ethics based on bedrock principles are clear, actionable, and (if we build our lives and organizations on them) inevitably tied to producing high performance that can be sustained over time.<sup>16</sup>

## **So What Are High-Performance Ethics?**

High-performance ethics (HPE) are a way of life—the way of doing well by doing right. HPE means doing right with the absolute conviction that there will be commensurate (maybe even disproportionately large) rewards—even as we face setbacks and make short-term sacrifices for the sake of principle.

High-performance ethics are practical ideas that have been derived from long-standing core principles. HPE leaders dissect those principles with the goal of applying them to human performance, both individually and collectively.

Before we go much further, it will be helpful to describe what high-performance ethics are *not*. High-performance ethics are different from either high performance or ethics. It is possible to achieve some level of high performance without doing right; indeed, it is possible to achieve it by doing wrong. And it is possible to do right

without achieving high performance. Visiting a sick or dying person, consoling a friend, assisting the down-and-out, giving to a charity—all are very good things that often have no direct bearing on professional high performance.

In a sense, high-performance ethics are a fusion of high-performance thinking with ethical thinking. But high-performance ethics constitute something different from either, a marriage of concepts with a combined power greater than their sum.

## Two Bad Alternatives to High-Performance Ethics

Of course, there are alternatives to high-performance ethics, albeit *ineffective* alternatives.

Ethics “policies” became the fad of the moment in the late 1980s, and most publicly traded companies have some sort of code of ethics even today. In many cases, however, these ethics statements have made no difference in the way these organizations have operated. Is the purpose of these policies just to foster good public relations? Or are principles and the convictions of corporate leaders truly reflected in those codes? The evidence indicates that in many cases it has just been good (or as it turns out, bad) PR.

Government legislation won’t get the job done, either. For some reason, humans have a natural tendency to try to legislate morality. We want to avoid the hard work of building character on enduring principles, of educating for the intangibles, of rewarding on the so-called “soft” issues, of eliminating (quickly) the bad actors even if they are producing, and of finding ways to connect living right and doing well. Instead, we often go for the shortest, the quick fix of rules and regulations—the fix that doesn’t fix.

On a national level, massive systems like HIPPA and Sarbanes-Oxley are created in the hope that they will create better performers and better people. Instead, these measures often succeed only in creating new “growth” industries that waste countless hours and resources

in public and private companies, destroy the ability to deliver needed services in always-struggling not-for-profits, and inject more senseless bureaucracy into government.

The evidence indicates that confidence in codes of conduct or rules and regulations is probably misplaced—if not illusory. A recent article in *CFO* magazine asked, “Is there any reason to believe that all these codes and classes and scenarios do any good? The evidence is mixed. A recent survey of more than 4,000 employees found that reports of misdeeds had not diminished.”<sup>17</sup> The article reported “the same level of wrongdoing [as] reported in a pre-Sarbanes-Oxley survey,” and noted that “if employees don’t know right from wrong by the time they enter the workforce, no ethics program on the planet will fill the gap.”<sup>18</sup>

The problem stems in part from contrasting ethics with performance, instead of combining them. “Remarkably, half of the respondents who said their companies have comprehensive ethics programs also noted that they felt pressure to ‘do whatever it takes to meet targets.’”<sup>19</sup> This can go right down to the individual level. “Companies not known for stretching the truth may have their own practices that encourage bad behavior. At the top of the list: performance reviews that focus primarily on quantitative measures . . . employees should not be judged solely on what they do, but also on how they do it.”<sup>20</sup> The norm is to separate performance from ethics. HPE leaders create a new norm by merging them.

This isn’t an argument against having any laws or rules, and it certainly isn’t an argument to ignore the ones that exist. But it is fair to ask hard questions: Can we legislate our way to integrity? Will rules or ethics codes make us better people? Can regulations do what firm principles and character and community cannot? Are all these policies really increasing the level of ethical behavior?

In tackling these issues, we must be wary of delusion. When we fail to build our character and our organizations on enduring spiritual principles, we find that codes and laws seem made to be broken. Laws and rules simply cannot put in what people leave out.

## The Real Deal

High-performance ethics have real-world impact on lives and organizations—and on the bottom line. Leaders abandon these principles at their peril, or align with them to their infinite gain. In this book, we will relate these principles to the high-paced, high-stakes world that leaders—that *you*—face right now.

HPE leaders use their wisdom, knowledge, experience, power, energy, attention, confidence, and humility to implement the foundational principles we'll discuss in the chapters that follow. One leader reminds us, "The one thing that doesn't go away in a company is the character and humanity of its leader . . . that person has to be the best listener, the best interpreter, and the most passionate driver of the company's purpose."<sup>21</sup> Organizations consist of much more than what they *do*. They consist of who they *are*.

Legacy seekers must focus on building traits that define an influential character: wisdom (rather than simple knowledge); integrity (being honest with ourselves as well as others); a passion for life, work, and people; enough confidence to know what we're about and enough humility to know that others can help us to be better; and self-control. Rather than asking, "What will people think of this?" the HPE leader asks, "What's the right thing to do?"

They know that you can do well and do right, and do well by doing right. They're willing to take short-term losses because they want to avoid the biggest loss of all—themselves.

Should we run our organizations with a focus on principles or with a focus on performance? *Definitely*.<sup>22</sup> Paradoxically, if we run our organizations with these "better ideas," we create organizations that also deliver sustainable top-tier results. High-performance ethics are not just motivational-speech platitudes and high-sounding moral statements. They are a fabulous set of revealed principles that open the door to unimaginably rich results.

We invite you to learn them, apply them, live them—and prosper.





# FIRST THINGS ONLY

*You can be great with the right priorities*

THE FIRST PRINCIPLE of high-performance ethics (HPE) targets priorities. It requires us to get the right things in the right order. This principle is a challenge to set our minds on things that matter, rather than on the mundane and fleeting—or even on the things that matter, but not as much.

Plenty of experts have highlighted the vital need to get first things first, to focus on the important (not just the urgent), and to guard time for faith and family. But HPE leaders know that in addition to being obvious, these ideas are merely an entry fee. They're necessary but not sufficient. They don't tell us what's important, or how much time to spend on it once we figure it out.

In business terms, “first things *only*” means taking the time to define what's really important to the life and health of our organizations. If we get this principle right, everything else will fall into place—and if we don't, everything else will fall apart. There are only a few “first things,” not a hundred or a thousand, and once we find them we don't take our eyes off them for a second. First things *only* means crafting a worthy vision and mission, agreeing on values, and deciding who we are and what our organizations should exist to do. As we act on this first principle, we begin by helping our people to

focus on big things and broadening their vision before we narrow their focus to the business at hand.<sup>1</sup>

Most organizations don't have passion—certainly not at the front lines. It can't be trained. It can't be bought. It can only be released by designing an organization in which people consider it wise to invest their lives and talents. Even competence, as important as it is, can't be developed much if passion and talent are lacking. As we forge a shared vision and mission together with our employees, and define important values and behaviors,<sup>2</sup> we ignite and direct the passion in our organizations.<sup>3</sup> Only first things stir greatness.

### **Start with a Powerful, Shared Vision and Mission**

Leaders have the power to implement this principle at the organizational level, first by bringing everyone into the vision and mission development process, and then by bringing competent people who share the vision and values into the organization. Each individual must also act on this principle—choosing to invest passionately in the vision and mission, upholding the organization's values, practicing the behaviors that exhibit those values, and working with competence. Get the organizational and individual elements of this principle into alignment, and the organization will have a powerful culture that produces world-class results.\*

As a leader at Lanier, Gene Milner was a man who had a plan and knew where he was going. In 1965, I was visiting my parents in Georgia. Gene called and suggested we have dinner while I was in town.

I met him at the old Marriott on Courtland Street in downtown Atlanta, and over dinner, Gene decided to tell me about his plans. Ten years into my career, I was now the district manager in Baton Rouge and had begun to do quite well. That night, Gene

\* Throughout the book, the vertical line denotes Wes Cantrell recounting highlights from his career.

shared with me his dream for the future of the company. Whether or not he shared his thoughts with anyone else is unknown to me. But he told me in no uncertain terms that we would buy our major suppliers. They were weak and we understood distribution, which was more important in our industry. (When I asked about 3M, Gene said we would only buy their copier business, not the entire company, which was certainly more reasonable!) First, we would become a national company, then international business would come later. Gene had big plans, and he made me privy to his thoughts that evening. Needless to say, these were really big plans for a company whose total revenue was only about \$12 million at that time.

I bought the vision hook, line, and sinker! My thoughts rushing to this planned success, I was extremely excited as I returned to Baton Rouge. In my enthusiasm, I talked to my fellow employees about our future, and they caught my excitement and enthusiasm. At our Christmas party that year, they gave me a present, which I still have on the wall of my office. It's a walnut-inlaid orange-peel map of the world. When they gave it to me, they said, "This is your territory." Evidently, they shared the vision.

Years later, every single thing Gene talked about over dinner in 1965 actually happened, clearly demonstrating the power of vision. We bought all of our suppliers and became a national company. Later, with the acquisition of 3M's copier/fax business, we became an international player. All of these acquisitions made it possible for us eventually to become a \$1.5 billion company.

HPE leaders believe in the power of vision and are willing to share that vision with people "down the line." When our people catch the vision, they will fuel their teams and the organization to achieve it.

There truly is power in shared vision and mission, and in answering

the big questions first: Where are we going (vision), and what will we do to get there (mission)? Vision means purpose: Why do we exist? What *is* our long-term future? And mission is a set of clearly defined “critical success factors”: What are the things we must do, and do well, if we intend to achieve our vision?

Simply having a vision and mission and passing out copies will not be enough. Working with countless leaders and organizations, I have seen how values are lost and opportunities are missed when these priorities are considered to be in the domain only of brilliant, charismatic people at the top. The power of vision and mission is multiplied many times over when our people participate in developing and enhancing that vision and mission with us.

When we move from informing to involving people in the process of creating the vision and mission, everyone begins to think about first things only, opening our organizations up to the potential for unimagined success. Unfortunately, many leaders are reticent to include their people in discussions of first things, and thus forfeit the success that could be theirs.

The night he shared his vision with me had been an exception for Gene. He was not naturally one to discuss goals, objectives, and strategy. He had always been inclined to tell people what to do, but not why. Some of his orders were hard to understand because of this style. He certainly never put anything in writing about vision, mission, or long-term goals. I believe he didn't want to be pinned down. In addition, he tested others' loyalty by this question: “Will they follow my directions regardless of what I ask?”

In the late 1970s Lanier's first vision and mission statement was put together. As president of Lanier, I personally did most of the work heading the project to develop it. When I showed it to Gene, he said, “Don't waste your time on stuff like this.” But I remembered how powerful our discussion of vision had been for

me years earlier, and I wanted to include our people in a similar discussion about Lanier's vision. We began using this vision and mission statement in high-level presentations. One of the most notable was the presentation to the Harris Corporation when we sold the company to them in 1983. They were particularly impressed with our vision and plans. Personally, I felt a great sense of satisfaction knowing that I had a strategic part in laying the groundwork for the company's future.

What's the use of having a vision if no one shares it? Few people want to be sold on someone else's vision, and the ones who do are most likely to be passive followers rather than active participants. HPE leaders seek robust discussion, debate, disagreement, and a general donnybrook to make the vision and mission the best they can be, and to ensure the highest level of investment in them. One person's vision isn't enough for all of the excellent people who will be needed and expected to fulfill it.

## **A Powerful Vision Demands Powerful Values**

With a shared vision and mission established, we can begin to identify the values and behaviors that will characterize our organizations as we journey toward the goal. How will we act and interact so that we can actually achieve our vision and mission?

Hicks Lanier, one of Lanier's founders and its CEO, respected my values, and he let me know it in his unusual fashion. Once when we were discussing the need for a traveling service representative, he recommended someone who was competent as well as quite open about his Christian beliefs.

"Put Paul in that job," Hicks told me. "He doesn't drink or chase women, so he won't get in trouble." Paul didn't take the job because he wanted to be home with his family, but he would have been a great choice. There were several traveling

reps who did get in trouble. The temptations on the road are many, and only someone with strong values can survive. That's what Hicks was looking for.

People know our values, whether or not we advertise them. The longer they work with us, the more people will see and feel the organization's real character. As with vision and mission, integrating values and behaviors into the organization's culture requires that we define them through an inclusive process.

This process needs to include robust discussion of what the values are and how they should look in practice. If we don't define the behaviors that exhibit our values, people will attach their own meanings to them. The net result will be that we *have* no shared values. Lists of single-word values are so generic that they are almost meaningless. For example, *loyalty* can be defined either as "don't rock the boat," or (better) as "love the boat so much you'll rock it if there's a problem."

## **We Need People of Character and Competence**

If we can agree upon why we're here, what our critical success factors for achieving our vision are, what we value, and how we will act and interact, we're ready to consider the next important priority of organizational life: bringing in people who have character and competence. Ultimately, it doesn't matter what we believe if we don't also deliver results. "Show me your faith without deeds," noted an ancient writer, "and I will show you my faith by what I do."<sup>4</sup>

We must select leaders, mentors, partners, and employees who have proven character and competence. These men and women will provide good counsel out of their experience, as well as through knowing us and understanding what we expect. As Wes likes to point out, if you're hiring a pilot, you first need to know whether he can fly the plane. Character is a wonderful and needed attribute, but if he doesn't know how to pilot the plane, there's no need to interview

him. Of course if he doesn't have character, he might make poor safety decisions like getting drunk before flying.

I learned the hard way that we must carefully investigate both character *and* competence. People must have both attributes—character and competence—if we are to build a group of wise partners and counselors. The same thing is true in the hiring and promotion decisions leaders make every day.

Few leaders know how to identify either character or competence. Character is “a person’s characteristics, the mental and moral features that distinguish that person from others, a person’s moral strength and quality of reputation.”<sup>5</sup> In the world of business, character is what makes you *you*, what makes you smart or dull, good or bad, strong or weak, and delightful or obnoxious to others. It’s the most important feature of every person,<sup>6</sup> but very few leaders put forth genuine effort to look for it. In a recent survey, 75 percent of employers said they don’t screen effectively for the job applicant’s moral character.<sup>7</sup> Is character hard to discern, and even harder to measure? Of course. But this is no reason not to try. Without a sense of someone’s character, we can only hope that he or she will be a fine employee, and plan to correct any deficiencies on an ad hoc basis. This is most assuredly not a formula for building high-quality, unbreakable performance.

Competence means more than just knowing how to “do stuff.” Competence means knowing how to do something well, how to focus on what’s most important, how best to add value, how to perform a task fearlessly, and how to do it with confidence and ease and comfort. It includes setting, meeting, and exceeding high standards of performance and quality, standards that are ever evolving and rising, and being able to do this because *we’re* ever evolving and rising.

Rather than focusing on character and competence, leaders often tend to ask the wrong questions because they feel hamstrung by legal technicalities. Many want to shorten the process because they just need to “get someone on board.” But this results in far too many slots being filled with people who have neither the character nor the

competence that we need.<sup>8</sup> Some leaders fail to do right because they have too few people of character, and they fail to do well because they have too few people of competence.

Organizations often fail to prioritize character and competence because “human resources” departments often fail to understand that their first priority is *people*. They too easily put legal issues, policy formation and enforcement, and detailed transactions at the top of their list. If they spent more time working the human side of their organizations, they would probably need to spend much less time on legalities (committed people generally don’t sue) and policies (committed people generally want to do the right thing). Putting first things *only* means building values-driven—rather than compliance-driven—organizations.

If we have the right people—people of character and competence, believers and winners—who have a mutual, passionate commitment to shared vision, mission, values, and behaviors,<sup>9</sup> we can relax our focus on the tools of control and management. Too many leaders spend their energy focusing on a small percentage of bad apples rather than on the bushels of good ones.

I felt that Hicks Lanier and Gene Milner were both control freaks, but I concluded that I did not have to pattern my management style after theirs. At the same time, I learned a lot from both of these men. We can always learn from others—the things we do not want to emulate as well as those qualities that we do want in our lives. They were attempting to establish their own superiority; maybe they felt that they needed to do so in order to maintain control.

I began to see that the pathway to outstanding leadership requires us to build relationships with our people based on trust and integrity. My desire as a leader was to serve my team members just as we did our customers. I wanted them to be motivated with a vision for a bright future, so I tried to paint a



picture of the future and then put them into that picture. I saw that it was important to make sure that they had the resources to do their job, and I tried to offer helpful suggestions rather than constant criticism. After all, if I found it necessary to criticize a person constantly, I probably had the wrong person.

Terms like “chain of command” and “direct reports” are the language of control and subservience. As I’ve told thousands of leaders, if the first thought that enters your mind every morning is *I need to manage X*, the second thought should be *I need to fire X*.

No amount of control or criticism can produce passion, commitment, dedication, creativity, or anything else of deep and sustainable value. Life is too short to spend time fixing character defects or trying to conjure up competence out of thin talent.

What if alignment is poor or non-existent? Is it always moral or profitable to try to “fix” things to get alignment? HPE leaders know the answer is “no.” Fixing things can be a *huge* distraction and an incredible waste of time. It can lead to a net reduction in performance (by misdirecting us and keeping sub-optimal associates) and a watering-down of ethics (by mispending our time and keeping people tied to what they cannot or will not embrace).

To know if a fix is the right answer, we have to find strong answers to questions like these:

- » Has this person exhibited any interest in, or passion for, who we are and what we’re trying to accomplish? Does this person care?
- » Has this person shown initiative in mastering our message? Does this person “get it”?
- » Has this person shown an interest in others, in helping them develop and achieve?
- » Has this person tried to grow the job, rather than just doing the job? Is this person adding real value rather than doing the bare minimum?

- » Has this person expressed ideas about how to enhance who we are, rather than simply to reshape us into his or her own image?
- » Is this person showing responsibility, embracing accountability, and caring about even the little things, rather than having to be reminded and prodded?
- » Does this person stay on point rather than wandering off into side issues or petty actions?

If the answer to all of the above is “yes,” then fix. Otherwise, let the person go.

### **“First Things *Only*” Creates High-Performance Culture**

The “first things only” principle is the foundation for building a powerful culture, like the *Kaizen* culture of Japan. This culture puts shared vision, values, behaviors, and competence together at the corporate and individual level to achieve a singularly effective outcome.

Fear and apprehension gripped my heart as we flew at 35,000 feet above the Pacific Ocean. It was 1983, Lanier had just been acquired by Harris Corporation, and I was on my way to Japan for the first time to meet our colleagues there. Recently the Soviets had shot down a Korean airliner when it strayed off course and passed over Sakhalin Island. We were on the same course to Tokyo and I could visualize what had happened just a few weeks earlier. I began to think about what was ahead.

My friend and colleague Nicky Bolick was with me. Nicky had been to Japan many times, and he was showing me the ropes. We had spent many hours talking about the customs in Japan and business protocol. I had read a few books, but I was apprehensive. I didn't want to appear ungrateful or rigid. As president of Lanier and Senior V.P. of Harris, I knew our

Japanese colleagues would honor me because respect is part of their culture, but I wanted to build strong relationships with our friends in Japan.

Doing business in Japan requires an understanding of the culture. Unlike the United States, Japan has never been considered a “melting pot.” It has a more uniform culture, which is perhaps both a strength and a weakness.

I had learned about the Japanese business customs, like bowing and exchanging business cards by presenting them with both hands. I knew to use *san* after the last name as a proper greeting of honor and respect, and I had practiced eating with chopsticks. In many ways, I was ready for this new adventure, but never could I have imagined all that I was to learn in the next few years.

When we landed at Narita, it took almost an hour to get to our hotel in Tokyo. The time zone is fourteen hours different from U.S. Eastern Standard—that will turn your biological clock upside down! It was nighttime, but I was wide awake. Very little sleep and lots of coffee seemed to be the only way to work effectively while my body slowly adjusted.

The next day, we began our meetings. Under our new arrangement, we would design the appearance and features of our dictation products in Atlanta, and our partners in Japan would do the mechanical and electronic design. We marveled at how quickly the Japanese engineers responded to our suggested changes and how well they worked with our ideas. It was clear to me that something in their culture was very different from what I had experienced in the United States.

When we asked for a new feature or a better price, they would always say, “We’ll go study.” In almost every case, they came back with good ideas for reducing our costs, and they always gave us the features we needed to preserve and grow our leading share of the U.S. dictation systems market. It was clear that our Japanese part-

ners truly believed in *Kaizen*—“continuous improvement”—and it permeated all that they did.

By 1987, when I became CEO of Harris/3M (a joint venture that combined Lanier’s copier business with 3M’s worldwide copier and fax business), my trips to Japan mostly involved our copier suppliers. Toshiba, our major supplier for copiers and dictation products, was quick to adopt our customer-based studies for product improvement, and they always involved us in the new product development cycle.

Once during the development of a new copier, the Toshiba executives told me that of the fifty-six ideas we had submitted for improving the product, they had adopted forty-six of them. The *Kaizen* culture made this second nature for them.

There is great value in common ground. When something strong unites people at the core—in this case, the strongly shared Japanese business value of improving the product—it frees them from the waste that comes from battling over everything in turf wars.

While Wes was at Lanier, the company exhibited the power of vision and values—especially a focus on customer service—to produce high performance. Lanier was highlighted for its service culture in the groundbreaking book *In Search of Excellence*: “Lanier and IBM typify the companies that go overboard on service among the high technology bunch.”<sup>10</sup>

The popular book *Good to Great* missed the boat, however, in its analysis of the Harris Corporation (the company that eventually acquired Lanier in 1983). It missed both the long-term picture at Harris as well as the fact that Lanier, a large organization in its own right, was extremely profitable over a long period of time and was clearly a “good to great” story. How did *Good to Great* miss this success tale?

As the *Wall Street Journal* put it, “When Harris acquired Lanier Business Products, Inc. to create a word-processing business in 1983, it had all the makings of a disaster. . . . But this story took a different

turn: The companies not only salvaged their union, they learned from it. Today, Lanier is Harris's most profitable unit. And Harris, drawing on its experience with Lanier, has grown into a diversified company with \$3.4 billion in annual sales."<sup>11</sup>

The organizations that perform best and remain most profitable over time credit their success to a strong culture built on shared vision, mission, and values. During an in-depth study my firm made of what drove the public companies that were most profitable from 1972–2002, we discovered first that most of these organizations were not in *Good to Great*. These included top five, outstanding performers like Southwest Airlines (#1, and in a generally *terrible* industry), Wal-Mart (#2—how did *they* not get on a “good to great” list?), Intel (#4, up from essentially nothing in 1972), and Comcast (#5).<sup>12</sup> This omission resulted because *Good to Great* used an artificial definition of what constituted an organization that went from “good” to “great.” In our consulting practice, we would much prefer that our clients look at the most profitable companies of the past thirty years—a long period of growth and performance—than at a company that had a relatively sudden spike in performance somewhere along the way. And a look at these great companies highlights the necessity of shared vision and values.

Cooperation and harmony are nearly impossible when there is no invisible glue of shared vision or values to hold a company together. We can try to substitute motivational speeches and tricks, but nothing superficial will do the job. If our teams truly share core values, however, we can focus on the major and not trip over the minor. Disagreement over direction or details doesn't feel like betrayal when we're of one heart and mind on the things that are most important.

The Japanese values of listening, study, continuous improvement, involvement, and collaboration produce excellent performance. But other values also sustain that culture: hard work, respect, and honesty.

One of the amazing things about the Japanese culture is the fact that hard work is such a distinct part of their culture. Whether a

person is a truck driver, an engineer, or shoe-shiner, everything is done with genuine gusto.

There is one example I'll never forget. On one of my trips to Japan, I needed a shoeshine so I found a stand in the hotel. An elderly Japanese man was in charge of the stand. He was stooped, polite, and respectful, and he almost wore the shoes off my feet! I had never had such a vigorous shoeshine, and have never had one since. I believe his effort signaled something unique about Japanese culture.

Many executives have asked me if I would rather do business with a Japanese or an American company. The answer is easy. The Japanese are easier to do business with and they are honest. I can only remember one Japanese executive that I distrusted, and interestingly, he was demoted after a short period of time. It's telling that in Japan there are a lot of engineers and very few lawyers. The culture of hard work, respect, and trustworthiness makes lawyers less central to corporate life.

Obviously, non-Japanese companies should not try to become just like Japanese companies (a common fallacy that was pushed on leaders in the 1980s and early 1990s). It would be too difficult to implement many of Japan's approaches and processes without also having its ancient, homogeneous culture. And we don't want to lose the unique values of non-Japanese cultures—for example, the focus on innovation and raw creativity found in much of North America and Western Europe.

The point is this: Strong values make doing business relatively easy. People know where we stand. They don't have to spend time and resources protecting themselves and engaging in activities that don't add value. If people trust and respect one other and agree to work toward a common goal, they can devote 95 percent of their energy to creating value and only 5 percent to contractual and other potential problems.

Early in my career, I (Jim) was in a fairly responsible position in project management at Black & Veatch, a multibillion-dollar design/engineering firm in the power and industrial field. One day, I received an invitation to the office of N. T. Veatch, one of the founders, who was then in his eighties and essentially retired. He surprised me by asking what we sold. I started to talk about world-class engineering design and specifications. He listened patiently, and then said, “Wrong.” Wrong? “We don’t sell engineering services here,” he said. “Our only product is trust. We want to do our work in such a way that no contract ever has to be pulled out of a drawer.”

The principle of putting first things only—focusing on shared vision and values and bringing in people of character and competence—is essential to producing high-performance results. When we work toward a worthy vision, living our values and producing excellent results for everyone involved, we build the kind of trust that makes people want to do business with us. Those relationships sustain our success even when market realities start to batter our organizations.

Many years later, apprehension and excitement gripped my heart as we flew at 35,000 feet above the Pacific Ocean. This was likely to be my last trip to Japan. The purpose was to close the deal with Ricoh, a huge organization, for the purchase of Lanier. After Lanier’s spin-off from the Harris Corporation in 1998, it had become apparent to me that we could not make it on our own. The advent of digital products had greatly reduced our margins, and the spin-off arrangements had strapped us with hundreds of millions of dollars of debt and stripped us of cash.

I wanted to sell to a manufacturer that could insulate us against margin erosion and that had plenty of room on its balance sheet for our debt. Ricoh was just the right answer to our dilemma.

I already knew Sakarai *san*, the chairman of Ricoh, and we got along very well. As soon as I landed, we immediately

entered into hard negotiations regarding the price per share they would pay for Lanier. There were a few surprises, but I knew it was part of my final responsibility as chairman and CEO of Lanier to leave the company in good hands with a good chance of survival and prosperity. I knew from our previous experiences that our long-time Japanese partners would give Lanier that chance. After two days of negotiating, we finally reached a tentative agreement.

### **“First Things Only” Requires Transformational Change**

There is much to be learned from the Japanese culture. They adopted many principles and grasped the significance of Total Quality Management long before we in the United States even thought it was a good idea. They capitalized on the work of Edward Deming and other quality experts.

The team-management process worked very well in Japan because they already had cultural humility. This *Kaizen* culture of making continuous improvements had become a normal state of affairs. Even though their products had once been considered cheap and of poor quality, with these principles in place, they began to excel. By the 1970s, their quality was world-class.

Edward Deming taught that 85 percent of organizational problems are systemic, rather than being caused by poor performers. Systems are often designed to get poor results—in many cases, perfectly designed. While U.S. and other companies were replacing people and looking for the next corporate miracle, the Japanese stopped making excuses and simply went to work putting first things only, completely redesigning and rebuilding processes. Upending an organization’s culture and aligning it with powerful vision and values requires the humility to understand that change is vital.

My consulting firm has worked with Fortune 1000 companies,



large privately held organizations, and government and not-for-profit groups. Many tend to exhibit a common attribute. Unfortunately, it's not humility or passion or openness or competence or readiness to change.

It's arrogance.

Leaders who think they're the best have no reason to change—and *won't* change. They keep doing what they're already doing, which over time almost always means they're doing it poorly or wrong. They look down on the innovators, as U.S. auto and electronics companies did with the Japanese companies in the 1950s and 1960s—and amazingly, right into the 1970s and beyond, when the Japanese companies already had the upper hand in quality, process, and so many other bottom-line ways.

HPE leaders need enough confidence to know they can make a significant contribution, and enough humility to know that everyone can help them make it better. If our organizations could blend the confidence and exuberance of many Western organizations with the humility and steadiness of many Eastern organizations, we would have something very special indeed.

## Summing It Up

HPE leaders start with the principle “first things *only*.” They know that wrong priorities will never lead to greatness.

The organizational priority must be vision and mission first. We decide as a team why this organization exists and what it hopes to accomplish. Next, we agree on the activities that will most likely deliver on this big idea. Throughout this process, we keep in mind that results will suffer if the vision and mission are controlled by leaders to the exclusion of the people.

Right behind vision and mission is the priority of agreeing wholeheartedly with the organization's values, and then living them out with consistent behaviors. We define our values in a way that is

coherent and practical, and then hold one another accountable to practice them without exception. Values with exceptions aren't values at all—they're merely good ideas worthy of a "nice try."

Once organizational priorities are in place, it is critical to bring people on board who demonstrate character and competence. If we find ourselves controlling and micromanaging people in order to obtain competent performance, we can assume at least one of two things: We have a bad ethic—or we have the wrong people.

HPE leaders design a culture and team that are able to achieve a clear, important vision and produce astonishing results. They know the central need is not for *organizational* design, but for *cultural* design.

It has been said that character is what you do in the dark. But it's more than that. Character is what you do *with* the dark. If we find that we are deficient in any area—vision, mission, values, behaviors, character, or competence—it's not too late to embark on a process of transformational change. This starts by carrying ourselves with what the Romans called *gravitas*, an unshakable seriousness about thoughts, words, and actions. What leaders prioritize becomes embedded in their organizations.

There's no excuse for putting off right things, and the best time to focus on them is *always* right now. "It's never too late to be what you might have been," observed novelist George Eliot.

Character is indeed destiny. If we get first things only—the *right* things only—we will be who we want to be, go where we want to go, and produce high-performance results in the process.

## A B O U T T H E A U T H O R S

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WES CANTRELL, THE retired Chairman and CEO of Lanier Worldwide, Inc., began his career in 1955. Wes is known as a world-class leader and a forward-thinking expert in marketing and sales, a driving force behind Lanier's story of high performance.

Before retiring in 2001, Wes led a merger with Ricoh, a \$14 billion copier manufacturer. He also successfully acquired and integrated several companies into Lanier Worldwide, Inc. During his tenure as President and CEO, Lanier saw consistent growth in revenues, from \$93 million in 1977 to \$1.4 billion in 2000, and the organization achieved sustained profitability in every fiscal year. Lanier Worldwide also attained excellent ratings in customer satisfaction, eventually winning the J. D. Power Award in its industry.

Through nearly five decades at Lanier, Wes built a history of personal performance and a reputation for integrity. He served in a number of positions, starting just out of college in sales and service, and ultimately leading the company, first as president and later as chairman and CEO. His experience has made him a noted authority on sales management, marketing, acquisitions and divestitures, sourcing and product development strategies, and leadership of multinational organizations.

Wes attended Southern Technical Institute, where he graduated with highest honors. In 2002, he received an honorary doctorate from Southern Polytechnic State University. He was named a member of the Horatio Alger Association of Distinguished Americans in 2001.

Currently, Wes is a member of the board of directors for Ann Taylor Stores of New York, Wells Real Estate Funds, the Fulton County Taxpayers' Association, and the Southern Polytechnic State University Foundation. Wes has also left important legacies through his previous

work on the board of directors for the First Union National Bank of Atlanta, Edwards Baking of Atlanta, Oxford Industries, and AES Data of Canada.

Now at home in Atlanta with his wife, Bernadine Bigner Cantrell, Wes enjoys writing, teaching, golf, volunteer service, hunting, fishing, and projects around the home. He attends the First Baptist Church of Woodstock and is a member of the Atlanta Rotary Club. Wes also thoroughly enjoys spending time with his four children and twenty-two grandchildren.

JAMES R. (JIM) LUCAS is a recognized authority on leadership and organizational development. He is a groundbreaking author and thought leader, provocative speaker, and experienced consultant on these crucial topics.

Jim is president and CEO of Luman Consultants International Inc., an organization he founded in 1983. This consultancy is dedicated to developing passionate, thinking, high-performance leaders, people, teams, and organizations.

Recent clients are from sectors as diverse as health care, pharmaceuticals, medical devices, financial services, accounting, oil and gas, chemicals, forest and paper products, transportation, computer hardware, diversified manufacturing, consumer products, diversified business services, construction, state government, and federal government. They range from Fortune 1000 public companies and private for-profit organizations to not-for-profits and government agencies.

Jim is the author of four landmark books on leadership and organizational development, *Broaden the Vision and Narrow the Focus: Managing in a World of Paradox*; *The Passionate Organization: Igniting the Fire of Employee Commitment*; *Fatal Illusions: Shredding a Dozen Unrealities That Can Keep Your Organization from Success*; and *Balance of Power: Fueling Employee Power without Relinquishing Your Own*.

Jim has also written numerous curricula for business and leadership seminars, as well as many essays and articles.

Prior to founding Luman Consultants International Jim served in key executive positions in a number of organizations: EMCI, a high-tech design and manufacturing firm working primarily in aerospace components and orthopedic medical devices, where he served as president and CEO; Hallmark Cards, where he served as a director responsible for the completion of projects worth over a quarter of a billion dollars; Black & Veatch Consulting Engineers, where he served as manager of planning for the power and industrial division; and VF Corporation, where he was responsible for production and inventory control on its largest product line.

Jim is an award-winning senior faculty member of the American Management Association, where he served for several years as a charter member of the faculty advisory council. He has served as a professor in the School of Professional Studies at Rockhurst University.

Jim received his education in leadership, business, economics, and engineering at the University of Missouri (Columbia and Rolla). Jim is a member of the American Society for Training and Development, a senior member of the Society of Manufacturing Engineers, a member of the American Society of Engineering Management, and a registered professional engineer in Missouri and Kansas.

Jim has been honored with continuous listings in *Who's Who in America* (1999–2007), *Who's Who in the World* (1989–2007), and *Who's Who in Finance & Industry* (1989–2007).

Jim grew up in the St. Louis area and now lives in the Kansas City area. He and his wife, Pam, have four dynamic children—Laura, Peter, David, and Bethany.



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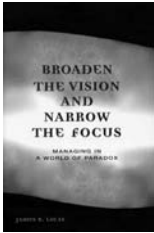


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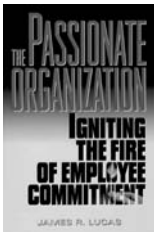
## Also by James R. Lucas



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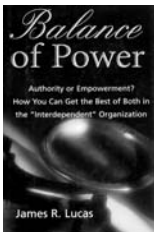
—**Tom Morris**, author of *True Success, The Art of Achievement*,  
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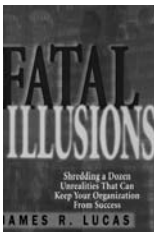
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—**Lee G. Bolman, PhD**, Marion Bloch Professor of Leadership  
Bloch School of Business and Public Administration  
University of Missouri-Kansas City

For more information about Mr. Lucas’s career as an internationally renowned speaker on leadership, culture, and organizations, visit [www.jamesrlucas.com](http://www.jamesrlucas.com). Mr. Lucas is also president and CEO of a provocative, thought-leadership consulting practice, which can be found at [www.lumanconsultants.com](http://www.lumanconsultants.com). To contact the author directly, e-mail [jlucas@lumanconsultants.com](mailto:jlucas@lumanconsultants.com).



