

Extraordinary managers discuss extraordinary management

The Savvy CEO Speaks

Carmen Policy, President & CEO of the Cleveland Browns, has earned a reputation as one of the preeminent executives in professional sports. He spent eight years with the San Francisco 49ers before being tapped by Al Lerner to create the Browns expansion organization in 1998. Mr. Policy is responsible for building the total organization: front office and football team.

Please tell me about your work.

I have one of the best jobs in the American professional sports industry. We provide entertainment to the public and have a great time doing it. But success in our work is in part based on public perception. The public perceives you are doing the job well only if you win on the field. The public, generally, is not considering how the front office is run, but to build the best professional sports organization, we need to succeed in the front office, too. So we try to keep the best people in every position in the organization – on the field and in the executive offices. As a result, we have built an environment that is viewed as one of the best in professional sports with creative and productive people.

We are viewed as an employer of choice. We want talented, decent people who care about each other – as well as great athletes. We can't have hooligans or mercenaries anywhere in our organization. We need to be a team in the front office and on the field.

We also want good Americans who have served their country in public or private life. A good example is Lew Merletti, EVP of Stadium &

Security. Lew has served on three presidential details, served in Vietnam and is very respected in our community.

But in the end, I have the same responsibilities as any other CEO. We have to be fiscally responsible. We must balance success on the field with financial success.

Management courage means “do the right thing, all the time. . . . I must understand what has to be done to meet the goals of the organization and do it.”

Carmen Policy

What are some of your obstacles to success?

The major obstacles are created by the system in place within the NFL. Our league was founded on the need to ensure competitive balance between the teams at the beginning of the season – balance maintained through a combination of the draft and salary caps. This system encourages more equitable staffing on the field, but it creates challenges in acquiring talent and achieving fiscal responsibility. In our business, the major issue is the talent level of our players, and the cost of talent on the field – our players – is the biggest cost in running our organization. If you have the same starting quarterback for 10 years, you are way ahead – barring any injuries – but injuries are always a factor.

As a result, we can plan out for only three years. Fortunately, some revenues are shared nationally and that helps. But much of the revenue is controlled by the local economy and team performance. If we aren't winning on the field, we feel the repercussions throughout the organization – and we don't win financially.



Carmen Policy

How did you learn to manage?

I started my career as a practicing lawyer. I learned to manage cases and some of the people connected with the cases – and then, investigators and the police when I served as a prosecutor and defense counsel. That is serious combat – very competitive. Fast decisions on my feet were critical. I needed diplomacy and other people skills. A dictator would not be allowed there and couldn't be successful. But I like people. I'm outgoing, and I like to make people comfortable, to motivate people and to help them advance personally or professionally. All are important characteristics for a manager of people.

I am opposed to fear management accompanied by the possibility of punishment. So if I want to manage my way, I have an obligation to pick good people. We compete at the highest level; we strive for championship performance, and we can't do that without solid people.

But I have learned that hard decisions must be made, and I must carry out those decisions in a professional manner. I can't think of myself as a boss; I have the responsibility, not the authority. I have to be willing to endure more pain than I inflict.

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I Trust You!

There are no more important words in any relationship – business, personal or family – than “I trust you.” We give our trust slowly but take it away instantly when something is said or done to put that trust in question. And communications experts tell us that others believe our behavior when our behavior and words don’t match.

In crises, when we and our colleagues are feeling most anxious, trust is central to pulling out of trouble as a team. But when colleagues sense they are not hearing the truth – when our actions don’t match our words – we lose their trust. And restoring it is extremely difficult.

“I trust you until there is doubt; then I never trust you again.” You may not have said those actual words, but you may have thought them. So the words “I trust you” are priceless.

What can we do to cement trust in our relationships?

- Tell the truth. If you can’t share information, say so. Never lie.
- Meet your commitments. If you agree to do something, do it. If you can’t meet an agreement, say so. If you say you’ll call back next week, do it.
- Keep unkind thoughts to yourself. A cutting remark might make a point or evoke a laugh, but it also sends a message that you will hurt others.

Sound simple? Yes. But simple doesn’t equal easy.

Consider this dilemma: A friend is a vendor to one of your customers. The friend shares some confidential information about your customer that you could use to position yourself to garner all of your customer’s business.

Acquiring all of this customer’s business would enable you to exceed your sales goals for the year and guarantee your team generous bonuses.

If you use the knowledge, however, it will be evident that you have inside information. You have built a strong relationship with this customer and want it to continue. How do you manage this information? And what do you say to your friend?

Your actions will influence your relationship with the customer for the foreseeable future. How do you maintain the trust of this customer? “I trust you” are the most important words in any relationship.

Want to know more about building trust with your employees? Contact Lee Nielsen at 440-786-8800 or lnielsen@thesavvyceo.org.

Trust in Business

Succeeding in business has never been easy and has always been dependent on many factors – tangible and intangible. One of the most important of these factors is trust. Not easily measurable, trust – or lack thereof – can have a material impact on the long-term success of a business.

Trust is vitally important to many constituent groups involved with a business:

- **Customers** base a large part of their buying decisions on whether they can trust their supplier. Without trust, customers are unlikely to be loyal in the long term unless they have no other reliable and cost-effective source of supply. This has become even more important today because of shrinking supplier bases and the rise in just-in-time supply – making customers more vulnerable to untrustworthy suppliers.

- Trust is vitally important to **employees**. If they do not feel their company is dependable, their commitment and enthusiasm will quickly wane.
- **Suppliers** care greatly about trust. Not only do they want to know that they will be paid for their goods and services, but they also want to ensure that their products and reputation will be handled with care and respect.
- Trust is everything to **providers of capital**. One of the most important criteria used by banks or investors to decide if they want to provide capital to a business is integrity. They need to know that the company and its management can be relied upon to honor commitments.

Trust is seldom built overnight. It often takes years of interaction to

generate the kind of deep trust that can promote business success. Key factors that help build trust are:

- **Honesty** – providing customers, employees and other stakeholders with the real truth, rather than telling them what they want to hear – or, even worse, being self-serving. When a customer calls to place a large order needed in three days, it is not honest to take the order knowing you are unlikely to meet the delivery schedule.
- **Walking the talk** – doing what you say you will do. If employees are told that the company will be implementing a profit-sharing program this year and it doesn’t happen, they will lose faith in promises made by the company.

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- **Consistency** – maintaining the priorities and direction you have set. Consistent firms set people at ease inside and outside the company, while those that are difficult to predict do not foster a high degree of trust. Of course, all business must adapt to changes in conditions and circumstances, but constant flip-flops are not healthy.

Johnson & Johnson benefited handsomely from its honesty and

forthrightness during the Tylenol cyanide disaster in 1982. Despite a very worrying situation, customers stuck by the company, and the brand continues to thrive. Arthur Andersen, until recently a highly respected global accounting giant, was not so fortunate. Its perceived lack of candor and integrity in the wake of the Enron scandal led to its rapid demise. And the CEO of American Airlines became the former CEO when his employees lost their trust

“O, how full of bribes is this working-day world.”

William Shakespeare

in him as a leader. These examples amplify the need for businesses to ensure they are trusted by the people and institutions critical to their success.

Larry Goddard is President and Founder of The Parkland Group which delivers expertise to clients facing operational, financial and structural challenges. Contact Larry at 216-621-1985 or lgoddard@parkland.com.

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Who were some of your mentors?

I have had a variety of mentors; I have learned from some great people. A key teacher was Ed DeBartolo, Sr. He was a legend, bigger than life. He was successful, strong, intimidating and intolerant of critical mistakes. If you played harder than you worked, he'd lose his temper. He saw such people as a contagion in the ranks bringing others down. If you were out until 3 a.m. and the normal starting time was 7 a.m., you still needed to be in by 6:45. And don't make excuses. He was a tough nut; his eyes would burn right through you. He couldn't tolerate people who could not pay the price. But he believed you needed to go do what you were good at. He understood being young, vibrant, passionate and excited about life. He knew you had to balance family and work.

Your role is a very public one.

Yes, it sure is. We have the media right in our building, and they analyze everything we do, critique every move. Every moment is judged by the media and therefore the public. But sometimes the media must meet their space requirements and will take an innocuous incident and blow it out of proportion. This can be distracting. Sometimes it seems they feel unprofessional if they are too supportive of what we are doing, so they may appear less than objective.

But we have developed a sense of awareness of the media and what they must do in their jobs. As a trial lawyer,

I had to think about what it was like in other people's shoes, and my experience there has been very helpful in recognizing what the media is trying to do.

Talk about trust and integrity.

If the public doesn't sense our trustworthiness, they will turn off in a hurry. We are not just a business or corporate citizen. The name of the community is in our name; it's attached to the team.

As the CEO, I need to display integrity and character. I must communicate respect for others, no matter the fallout.

What does "management courage" mean to you?

Do the right thing, all the time. I may have all the right reasons for a particular action, but that action can still be uncomfortable. I must understand what has to be done to meet the goals of the organization. If a person is not right for the organization,

I may have to make an unpopular decision, but we need to strive toward our goals.

How do you stay grounded?

Be as open as I can be with people, and try to listen. Try to understand the other side and be aware that mine might not always be the right side.

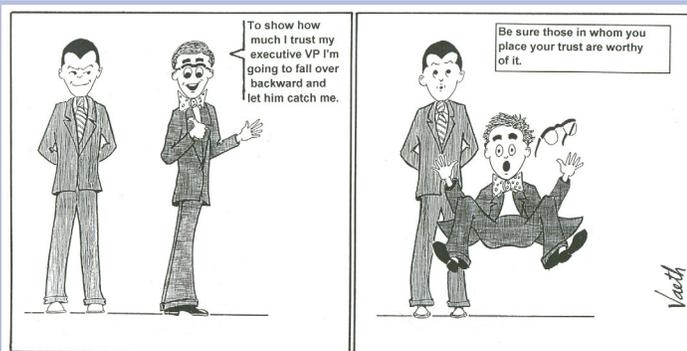
And, of course, my wife can humble me. We've been married 12 years, and in a split-second she can straighten me out. She helps me maintain balance with my business, my children and other relationships. She does so much to ease the way and has saved me tremendous anxiety in all areas.

What advice would you give someone new in the role of CEO?

Have a good idea of who you are and what's expected of you. Find a way to be grounded and find comfort somewhere – your family, your beliefs, your business ethics. Find strength wherever you can.

The savvyceowannabe

Created by Howard Vaeth

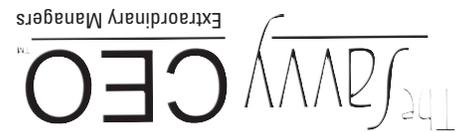


The Savvy CEO is two years old!

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Save the Date!

The Savvy CEO Breakfast Forum
September 16, 2003 • 7:30-9:30 a.m.
The Ritz Carlton, Cleveland

The Savvy CEO Breakfast Forum is a singular opportunity to hear several very successful local CEOs share their wisdom. Mark your calendars and plan to attend this dynamic event.

The Savvy CEO provides the free exchange of ideas and reflection on the art of exceptional management.

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The Nielsen Group

Case Study:

A major restructuring is affecting the entire organization, and some managers are welcoming the change. For these managers, while the change is difficult, they have strong motivations to do whatever is needed to achieve success.

Some other managers, despite mouthing approval, create roadblocks. They do not come to meetings prepared, they oppose critical company decisions, and they express frustration and anger at employees and colleagues.

What is going on? The uncomfortable managers have the same opportunities for personal advancement as their peers, but they are threatened by change. Even if they can agree with the need to restructure, the actual event is upsetting. They balk at entering the unknown.

How to help? The first step is to understand that intellectual acceptance does not translate to emotional comfort. The manager must come to a personal decision that the change is positive.

We Help Executives Get Results

How can The Nielsen Group help? We work one-on-one with key executives to help them explore and express their concerns. Together, we develop step-by-step operational plans for supporting the restructuring, and we meet regularly to ensure that the plans are in action and still viable. Also, we meet with their superiors to work through strategies to help the executives succeed. If an executive is unwilling to change with the company, we work with the executive to make a dignified exit.

It's Always About People. It's not just a slogan; it is a deep understanding that organizational growth is achieved only through the people on your team. If your people are in stress, so is your organization.

The Nielsen Group assists companies in creating exceptional performance through effective people strategies, results-oriented compensation systems, leadership development and much more. Contact The Nielsen Group at 440-786-8800 or lnielsen@thesavvyceo.org.