



Dr. Kenneth Majer
 Ken Majer has been a successful consultant and senior executive for over thirty years. He is best known as a leadership specialist skilled in corporate alignment and strategy, organizational change, and corporate communications. He has proven ability in coaching executives and managers. His special interest is using shared values as a method for aligning corporate culture. Ken is founder of San Diego-based MajerStrategic, Inc., a Chair and resource speaker for TEC International, and key advisor to the Leadership Institute for Entrepreneur at the University of San Diego.

Values in Action! is a business parable that teaches how to translate shared values into everyday actions to form a values-based corporate culture. The setting is a community bank in Napa Valley, California, where CEO Li Mandelkoff learns about values-based leadership through TEC International. Li benefits from the wisdom of her fellow CEO/TEC members who help each other increase their business effectiveness and enhance their personal lives. Based on advice from these seasoned executives and their chairman, Li transforms her bank into a values-based company that outperforms the competition. *Values in Action!* is a caring story of conflict, challenge and courage that shows the bottom-line benefits of building a values-based corporate culture.

"Values in Action! clearly explains how to create values-driven companies and the value of the TEC process at the same time. It's a win-for-one success!"

JOHN ASSARAF, *New York Times* and *Wall Street Journal* best-selling author of *The Street Kid*

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PAT HYNDMAN, TEC Chair and founder of PhD Leasing Corporation

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TEC

"This engaging story provides a wonderful recipe for getting values off the wall and into the everyday behavior of employees!"
JACK CANNFIELD, co-author *Chicken Soup for the Soul at Work*

LIMITED EDITION
 for TEC International

Values in Action!

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Why Values-Based Companies Outperform the Competition



Kenneth Majer, Ph.D.

Introduction by
Dan Yates, President/CEO
 Regents Bank

Kenneth Majer, Ph.D.

Values in Action!

Why Values-Based Companies Outperform the Competition



Foreword

DO VALUES HAVE ANY PLACE IN BUSINESS? After all, you can't buy or sell values. What good are they?

In this important and insightful book, Ken Majer demonstrates that values-based companies are stronger, more profitable and more successful than companies that don't operate from a foundation of values. Simply put, values-based companies outperform their competition.

Ken makes the case by documenting a critical phase in the career of Elizabeth Mankowski, the fictional president and CEO of Sequoia Valley Bank. How Liz struggles with her senior staff and brings the organization into alignment with a set of guiding principles is the result of her own experience as a member of TEC International. This is the compelling story Ken tells in *Values in Action!*.

Many chief executives understand that it's important to have a set of shared core values. However, problems occur, as Ken illustrates here with novelistic drama, when a CEO and her senior staff—not to mention the rest of the company's employees—don't work “off the same page” of values. The disconnect translates into a lack of clear direction, the potential for poor quality products, lousy customer service, and a sagging bottom line.

Or, as Liz tells her senior staff: “Values have to come off the wall and into the organization. They have to become part of the everyday actions of everyone in the company. The values need to be translated into what you expect from each employee as he or she does his or her job. People have to *live* the values.”

Making the commitment to infuse values into an organization's lifeblood is what transforms a chief executive into a leader. As Ken has said elsewhere, “Leadership is about getting people to go where you want to go. Leaders set vision and know the right things to do. A leader is someone who *inspires*.”

TEC members aspire to enhance their leadership and maximize their performance; it's a major part of why they become TEC members in the first place. The TEC values of challenge, caring, and growth are built on a foundation of trust. These are the very attributes displayed by Ken's leading character as she benefits from one-to-ones with her TEC Chair, the dynamic, problem-solving give-and-take of her TEC group, and the results-oriented information shared by her TEC resource speakers.

In *Values in Action!*, Liz applies the TEC model to her business. At first, her senior staff resists. They don't understand how becoming a values-driven company offers any advantage over the competition. So she actively demonstrates the benefits by:

- ◆ Conducting one-to-one sessions with each of her direct reports
- ◆ Resolving issues during company executive sessions
- ◆ Inviting resource speakers to present fresh ideas
- ◆ Creating a permanent learning forum for all employees

TEC members will see themselves in this story and will resonate with the changes Liz undergoes as she confronts a recalcitrant vice president and wins over other senior staff. The role of Ken's fictional TEC Chair, Pat Connery, will also strike a familiar chord: Pat embodies all the versatile skills of a TEC Chair, knowing when to gently prod action and when to step back and let the member learn for herself.

Values in Action! is the story of a fledgling chief executive's transformation into a values-driven leader. In this way, I believe *Values in Action!* reflects the experience of every member of TEC International.

As Liz explains, "You have to experience TEC firsthand before you can develop the TEC process as a competitive advantage. Without the direct experience of gaining benefits from being in a TEC group, putting these

practices in place will be hollow. My description just scratches the surface. The experience is much deeper and transformational.”

Today, more than ever, we live in an age when values and ethics are vital components of building and sustaining successful businesses. In *Values in Action!*, Ken Majer uses the power of storytelling to illuminate how shared, aligned values generate the enhanced performance and growth that every chief executive is working toward. At the core, Ken’s book, like TEC itself, is about the convergence of principles and practicalities in today’s business world.



RAFAEL PASTOR

Chairman and CEO,
TEC International

Introduction

THE CALL FROM PAT HYNDMAN came in 1999, a year before I would ultimately make one of the most important decisions of my life—the decision to partner up with a group of bankers to become co-entrepreneurs and start Regents Bank, a business bank headquartered in La Jolla, California.

Pat introduced himself as a Chairman of TEC International, a worldwide organization of CEOs and business leaders. He requested an hour of my time to share the TEC story. Upon meeting Pat, I realized that he was a man of great wisdom, not just because of his 80 plus years of life, more than double my own, but for his many accomplishments in business and his long-standing role as a mentor/coach to entrepreneurs.

The story Pat told about TEC is strikingly similar to the story by Ken Majer that you are about to read. As an author and TEC Chairman, Ken asked if I would coach him through the writing of *Values in Action!*. I had the knowledge of community banking and he wanted to ensure the authenticity and accuracy of his writing. The result of our fun ride together, chapter by chapter, is this parable about how values-based companies outperform their competition as told through the eyes of a TEC member.

When Pat called back in 1999, I was thriving in a fast paced senior executive position at Mellon 1st Business Bank where I had worked for 12 years. I had recently transitioned from managing the headquarters office in Los Angeles to leading a team of bankers to expand our geographic reach into San Diego County. The timing was perfect and I became a member of TEC.

After only a few one-to-one visits, Pat discovered that I had a dream to start my own bank in my hometown of San Diego. This was the first important step in my quest to become a banking entrepreneur.

In the year 2000, I was presented with an opportunity to join Thomas Young to form what would become Regents Bank. Tom, an outstanding banker, was formerly the President/CEO of a family-owned bank, Northwest National, which he sold to US Bank in 1998.

I turned to Pat Hyndman for counsel during this critical time and ultimately sought out the wisdom of my fellow TEC team members, an advisory board that consisted of 17 CEO colleagues who own and/or run thriving

businesses. Pat and my fellow TEC members helped me sort through the pros and cons of taking this entrepreneurial leap.

My TEC member colleagues proved invaluable as they helped me analyze many of the more significant business issues that we faced in the critical formation period of starting the bank and during the ongoing journey of building a successful banking company.

Values in Action! discusses many of the issues that our Regents Bank management team faced and successfully dealt with while building our business. It is a wonderful story that explains how TEC helps CEOs address critical issues that are instrumental in building a successful business while driving home why values-based companies outperform their competition.

They say it's lonely at the top—and sometimes it is. TEC is the place to seek guidance when you are facing some of the biggest challenges of your professional life and everyone else is looking to you for direction.

This book highlights one of the main benefits of the TEC experience, where fellow CEOs are part of a team that will ask tough questions, hold you accountable for progress towards reaching goals, and help you set priorities and action items which are monitored by the TEC group and your chair.

Beyond this special combination of friends and critics, TEC meetings provide access to expert speakers who share the latest strategies and perspectives with each group. The speakers are subject-matter experts who share

both time-tested strategies and cutting-edge insights, with a focus on how to implement their ideas to achieve the best results.

The Regents Bank business model incorporates many of the best business practices I've learned as a TEC member. These practices have given our bank a competitive advantage and a distinctive position in our market. Our team of entrepreneurial bankers understands the equity risks our clients have taken because we have taken those same risks ourselves. Like a TEC group, our bankers operate as advisors to our clients. We work directly with CEOs that are striving to run successful, small to mid-sized businesses.

The TEC experience has brought me full circle. It has helped me personally make better decisions, and it has provided an effective business model to better serve our clients.

Values in Action! cleverly weaves the TEC story into a parable that drives home the essential point that a strong foundation of business values is a key to business prosperity. It explains how to transform company values into day-to-day practices, behaviors, and attitudes that lead to high business performance and competitive advantage.

At Regents Bank, we have adopted these practices. I hope as you read this book that you, too, will see a clear path to help you attain your company's vision.



DAN YATES

President, Regents Bank
La Jolla, California

*If I knew all the answers I'd need no advice
It's wisdom I'm seeking not a role of the dice*



“THAT’S A LAME-BRAINED IDEA,” William Featherstone, VP of Business Development, muttered under his breath purposefully loud enough for the rest of the executive committee to hear.

Liz responded, “Let’s hear Dan out, everyone. I want to be sure we see the full implication of this new product before we pass judgment, okay? Go on, Dan, let’s have the rest of your presentation.”

Standing next to the door to the office Liz occupied for the first time only six months ago, she contemplated the exchange at the meeting of her top executives that morning. She was deeply disappointed in William...and the rest of the group.

She thought about all the effort that had gone into developing the company values when she took over the top position at the bank. The values were right there on the wall in the conference room where this exchange took

place. At the top of the list was *Respect*. William was certainly not demonstrating respect with his snide comment. Liz was not only disappointed; she was frustrated and angry.

She looked at the nameplate next to her door: *Elizabeth Mankowski*, and in slightly smaller letters beneath her name, *President and CEO*. Liz was still getting used to her promotion at Sequoia Valley Bank. She was also getting used to a new set of emotions. Frustration and anger were two of them. Another was fear.

Fear was a new emotion for Liz—at least this kind of fear. It was more like dread. For the first time in her career, Liz was beginning to have self-doubts. The meeting of her executive leadership group today unsettled her. There was more than the obvious disrespect showed by William. She couldn't put her finger on exactly what it was that made her uneasy. This was just one of a number of incidents of late with her senior staff. She had a gnawing sense that something was wrong, that perhaps she was losing control over the team. It was beginning to cause her sleeplessness in the wee hours before dawn.

I've never lost sleep over work before...ever! She had reminded herself of that fact just yesterday after tossing and turning from four to six in the morning.

At today's meeting, she had the distinct feeling—almost a premonition—that some of the executives were not really on her team. It was subtle. It was more about what they didn't say than what they did say. It was the glance between Mike Thompson, Liz's executive vice

president, and Julie Ramirez, VP of human resources, while they were going over the agenda. It was when Dan Brown, VP of the newly formed marketing department, was making his presentation about the new products.

Dan was pushing for a new debit card, along with some ideas for advertising with statement stuffers and teller cross-selling strategies. William Featherstone's rude comment dismissing Dan's idea before he had a chance to complete his presentation came on the heels of his overt comment, "Why are we spending so much time and effort on these consumer products?"

Another bad omen came from Mary Ann Strode, Liz's operations manager and top customer service executive. She was late to the meeting (again). In addition, Julie had left a message that she was swamped and wanted permission to beg off attending this time (which Liz denied). Liz also had a sinking feeling that some of her team were waiting to express their true opinions *after* the meeting in private conversations rather than having open discussions during the meeting.

Liz Mankowski was having a crisis in confidence. She wondered to herself, *Where are my loyal lieutenants?*

Then she stopped and questioned her train of thought. *This is ridiculous. Am I being paranoid? Who can I check with to see if this is only in my head? I can't confront the team—that could send a message of weakness, show lack of leadership, and possibly jeopardize the confidence and respect I need from them. Who can I talk to? I can't single out one of the executives on the team to confide in—I'm the CEO*

and I'm supposed to have the answers. Besides, I wouldn't know whom to choose as a confidant because any one of them could be the source of the problem.

I could go to one of my board members, but that might lead to a loss in confidence in my ability as a leader. Who can I talk to about aligning my team to pull together toward a common vision for the future of the bank? Is it possible that I could actually fail in this job?

The telephone interrupted her reverie. She went into her office, closed the door, and picked up the phone.

