



The Busy, Thinking Leader's Newsletter

Gray Matter™

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On the Flip Side

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NOTABLE QUOTE

People want to be part of something larger than themselves. They want to be part of something they're really proud of, that they'll fight for, sacrifice for, that they trust."

Howard Shultz
Chairman, Starbucks

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Welcome to Gray Matter™

Gray Matter is a play on words: synapse (where messages pass from one cell transmitter to a receiver) and the overall thinking process from ideas to actions. (Like breathing and pumping blood which are not such bad things if you want to wake up on the right side of the sod.)

Hey, guess what? I didn't think of the name. The credit goes to someone with two decades less experience. But I love it. That's right—I realize I'm not always the smartest person in the room!

Being the smartest person in the room can be a real asset. The danger comes when you think you are always the smartest person in the room.

Corporate Culture Impacts Bottom Line in a Big Way

A new survey from Waterstone Human Capital of senior Canadian executives finds that Eighty-two percent of respondents said culture had a strong impact on the bottom line.

Those listed in Waterstone's 10 Most Admired Corporate Cultures reported three-year revenue growth and asset growth 63 percent higher than the top 60 Canadian companies listed on the S&P/TSX 60.

Gray Matter is dedicated to bringing you thought provoking ideas and facts in their distilled form regardless of who said it or thought of it first.

Gray Matter draws on the expertise of high performance thinkers, leaders and professional associations from private, nonprofit, and government sectors to bring you thought provoking facts and ideas that help you make your business better.

One of my favorite mentors once said, "It does not matter who gets the credit as long as you get done what you want to get done."

Well, that's our purpose in creating Gray Matter. (Yes,

we don't deny that we would like you to remember where you heard that pearl of wisdom or fact that helped you make better decisions.)

McNews for high performance? We're not offended. You're busy. Time is valuable. Brief and to the point, we want you to actually open, read, think, use, and pass along Gray Matter. (We'll save the more lengthy white papers for download from our resource page at SynapseAssociates.com.)

We welcome feedback.

Enjoy!

Paul E. Rondeau
Chief Solutions Officer
Synapse Associates LLC

Revenue growth, turnover, and productivity were all positively affected.

According to 90% of respondents, the key force behind instilling a successful corporate culture is the company's leadership. The most successful companies build business models around their culture, according to Waterstone managing director Marty Parker.

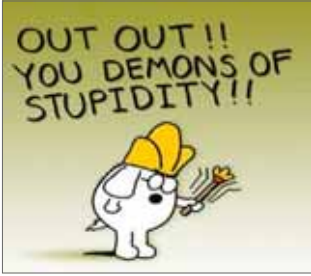
Evaluation of the companies

included vision and leadership, cultural alignment, measurement and sustainability, rewards, recognition and innovative business achievement, corporate performance, and corporate social responsibility.

WestJet, Yellow Pages, Boston Pizza International, Four Seasons Hotel and Resorts, and Intuit Canada made the list.

Montreal Gazette (11/29/08)
P. G2

Stupid is as Stupid Does: Intelligent Change



In 1994 when Forrest Gump uttered those immortal words in the movie of the same name, was he talking about 2009?

A communications mentor of mine recently made this observation: “Why do we call people stupid when they should be called morons? After all, it takes intelligence to do something truly stupid!”

He explained that the root of stupid is the Latin *stupidus* = *stup(ēre)* to be numb or stunned. Granted,

this was hair splitting. Anyway, we don’t knowingly hire morons (a person of borderline intelligence) or idiots (utterly foolish or senseless) to run our business.

But in an ever more competitive and complex market, our own business intelligence can be numbed and stunned through habit and events beyond our control.

Layoffs, cutbacks, and pulling other levers that worked previously just may not work in 2009...and even be

counterproductive.

A crisis offers opportunity beyond survival for those who can conquer their fear of change, anticipate, plan, and then execute intelligent change.

A humorous and true definition of stupidity is to continue to do the same things but expect a different result.

Isn’t this also true of continuing to do the same old things in a totally different environment?



71% of employees are either indifferent to their work or actively disengaged!

Gallup Organization
2006 Research

Asking the Right Questions...and Engaging the Right People

On recent trip to Dallas, I was waiting curbside for my ride to arrive at DFW. Seeing a flight attendant employed by the same airline I had just flown, I asked how things were going. “We’ve got the best seats on the Titanic,” she replied.

She volunteered that they already could not handle the job load and another dozen local employees were being laid off. Everyone

knows the turmoil in the airline industry.

But, I couldn’t help but wonder if management had bothered to ask its front line employees—the ones who actually talk to frequent fliers like me on a daily basis—what they thought and what help they needed to help the company return to profitability.

Jack Welch of General

Electric, most everyone’s guru on building profit and high quality, sums it up:

“It goes without saying that no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it. That’s why you need to take the measure of employee engagement....”

Keeping “Profitable” Employees

During an economic downturn, many companies take the opportunity to prune employee ‘deadwood.’ (But why are they still on the payroll in the first place?)

A greater challenge is making each employee a ‘profit center’ and keeping high performance employees that grow the business over the long term.

Average turnover costs easily reach 150% of an employee’s annual compensation and up to 250% for managerial and sales positions.

But consider these critical costs that are more difficult to estimate: customer service disruption, loss of morale, burnout/absenteeism among remaining employ-

ees, and loss of continuity, experience and “institutional memory.”

A whopping 89% of employers think their people leave for more money. In reality, the figure is only 12%.

The actual Top 3 reasons?

1. Lack of career growth
2. Poor management
3. Poor communication

