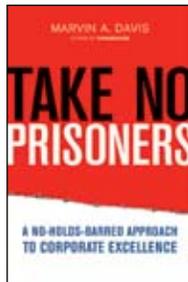


Words of Wisdom for Leaders on Growing a Business

“One of the most exciting and fun areas of corporate life is overseeing and driving the growth of a company. It is also one of the most dangerous activities a company can partake in, because, if done in an uncontrolled manner, it can destroy a company.” So writes Marvin A. Davis, author of *Take No Prisoners: A No-Holds-Barred Approach to Corporate Excellence*. An expert in corporate turn-arounds, he observes how people like him are often called in “to solve the problems of uncontrolled growth and sometimes to bury companies whose growth plans and strategies were flawed.”



How can you avoid future growth-related problems?

Here are Davis's suggestions:

- Prepare a plan for growth through either natural growth, acquisition, or both.
- Determine the sources of cash you are going to use to fund the growth.
- Use the rubber band theory to minimize risk.
- Have an alternate plan to recover if a method of growth does not work.
- If you are acquiring a company, use adequate professional help in the due diligence process.
- Prepare an integration plan and stick to it!

From: *Take No Prisoners: A No-Holds-Barred Approach to Corporate Excellence* by Marvin A. Davis. For more information about this book or other AMA book titles, visit www.amanet.org/books

8 Ways to Stay Fired Up in an Uncertain Economy



Bill Catlette and Richard Hadden, authors of the book *Contented Cows MOOve Faster* suggest that how companies survive uncertain times depends on how they react—from a people perspective—to the ups and downs. They suggest, “Survival depends on maximizing competitive advantage, and the first step is to look at your human assets.”

Toward this, they advise:

1. **Remember that the best way to weather turbulent times is with the willing engagement of a focused, fired-up, capably led workforce.** Avoid the moronic tactics so often invoked during a slowdown, like knee-jerk layoffs (unless survival is truly at stake), poorly thought-out pay cuts (especially incentive pay), and petty cutbacks.
2. **Don't let fear cause your workforce to disengage.** Asking people to be judicious about expenses is one thing—injecting unnecessary doses of fear into the workplace is another.
3. **Don't try to work your way out of a short-term earnings problem by “dumbing down” the organization, foregoing training.** “The notion that we can somehow help the business by

deferring necessary training is intellectually bankrupt.”

4. **Don't stop recruiting.** If anything, redouble your recruiting efforts, and encourage your hiring managers to do the same. Use this time as an opportunity to bring on board talented staff members.

5. **Don't be afraid to talk candidly with your people about how your business is doing.** Every minute your folks spend wondering or worrying is a minute your customers are being ignored.

6. **Crank up your “hi touch.”** This is an excellent time to show that you care by spending a bit more quality time with the people on your team, listening to them, and making sure they have what they need. Especially those on the front line.

7. **Pay extra attention to the customers you've got.** This is an ideal time to show customers that you care about them.

8. **Smile.** The fact that things are getting a little shaky and people are scared (including maybe you) doesn't overturn the principle that people prefer to be around those who are positive and optimistic. Your smile will lighten up the folks around you just a little, they'll get more done, and feel better about it, too.

Employee Identity Theft: A Big Cost for Employers

BY STEPHANIE SHAPSON PEET, ESQ.

Worried about having your vital personal information stolen, and anxious to know how to protect yourself against identity thieves?

Well, you'd better be.

According to the Federal Trade Commission, identity theft has been the number one complaint for the past eight consecutive years. Keep in mind one's identity involves much more than credit. A person's identity includes many parts—vital personal information such as Social Security numbers, driver's license numbers, dates of birth, home addresses, e-mail passwords, and ATM information—that are exchanged constantly in everyday life, well outside the boundaries of the credit system.

If you have not already been a victim of identity theft, chances are at least one of your friends, family members, or co-workers has been victimized.

An employer's vulnerability is even greater. An employer could be held liable for any identity theft that occurs within the workplace—even if the employer did not fraudulently use its employees' personal information.

It's the frightening—and expensive—truth. Happily, you can protect yourself and your employees from becoming a victim; you can minimize your company's risk of liability—if, that is, you know how.

Identity Theft in the Workplace?

Identity theft is the misuse or fraudulent use of an individual's personal information. The bait drawing such crime to the workplace includes personnel files, benefits data, and payroll and tax records—all of which typically reside in the Human Resources Department and can be a goldmine for identity thieves. If these files get into the wrong hands, employers can face considerable legal and economic repercussions.

For example, a Michigan jury awarded employees \$275,000 after it found that their union neglected to safeguard their Social Security and drivers' license numbers. How often does identity theft *really* happen? A lot. According to a September 2002 report by TransUnion, one of



the nation's three credit bureaus, the number-one underlying source of identity fraud is theft of employer records.

What Are Your Legal Obligations?

Given the likelihood of liability when employees' files are misused or mishandled, the federal government and some states have created new duties for employers, making them responsible for safeguarding personal information.

For example: as of June 1, 2005, the FTC amended the Fair and Accurate Credit Transactions ("FACT") Act to promulgate a "Disposal Rule" that requires all employers in the U.S., regardless of size, to shred or effectively destroy all documents and electronic files containing personal information derived from a consumer report before discarding them.

Although the Disposal Rule applies to consumer reports and the information derived from consumer reports, the FTC encourages those who dispose of any records containing a consumer's personal or financial information to take similar protective measures.

State rules differ. As a case in point, as of January 1, 2008, California Labor Code § 226(a) requires employers to display no more than the last four digits of the employee's Social Security number on the employee's wage statement.

What Should You Do?

Thankfully, employers are not helpless in the fight against identity theft. By complying with state and federal statutes and following these simple dos and don'ts,

your company can protect its employees and minimize the risk of identity theft and liability.

Do:

- Keep personnel files and all personal data in secure, locked cabinets.
- Make sure only appropriate personnel have access to confidential information.
- Utilize an electronic monitoring system which allows employers to observe who is attempting to access electronically stored confidential information.
- Carefully screen all employees who have access to personal data and conduct background checks when you hire new HR staff.
- Create and publish an identity theft policy which provides instruction on how to handle, secure, and destroy appropriate files and encourages employees to report any identity theft crimes to management.
- Provide information to employees about protecting personal items and areas, such as purses, wallets, laptops, desks and lockers.

Don't:

- Never leave original documents or facsimiles in all-access photocopiers.
- Do not include employees' Social Security numbers on paychecks or timecards.
- Do not use Social Security numbers as a reference number of any kind.
- Avoid sending Social Security numbers in the mail.
- Do not transmit Social Security numbers over the Internet without the use of encryption technology.
- Do not require employees to access the company website with a Social Security number without password protection or other authentication technology.

Stephanie Shapson Peet is an attorney with the Philadelphia-based law firm of Obermayer Rebmann Maxwell & Hippel LLP. She is a member of the firm's Labor Relations & Employment Law Department. For more information: stephanie.shapsonpeet@obermayer.com

‘Helping Others Brings Out the Best in Employees,’ says Beck Chief

BY PETER BECK

Eight years ago, we added something unique to our annual performance review process. At The Beck Group, we asked our employees to report the number of volunteer hours they donate each year to the charitable or humanitarian causes of their choice. Employees are able to donate time to charitable activities and causes during regular business hours.

Our rationale? Volunteer service is vital to the well-being of all communities the world over. That’s reason enough. And yes, it does get Beck’s name out there.

But there are other very good reasons—management reasons—for supporting employees’ volunteer activities. Helping others brings out the best in our employees. It strengthens their leadership skills and improves their ability to serve well.

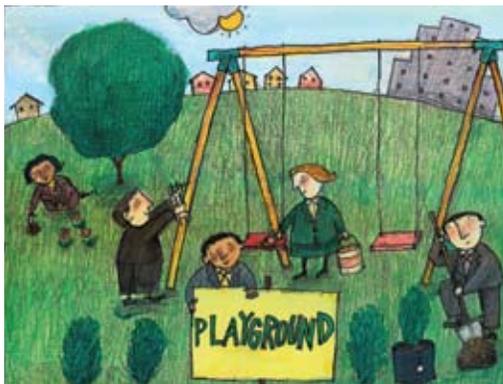
Serve Where You Live

We ask every member of the Beck team to consider this query: “What do you find yourself passionately talking about with your family and friends?” Their mission is to find community groups that align with those passions and then join like-minded people to make a difference.

Beck’s Arthur Perkins, a dedicated father, took the opportunity to follow his passion and join a group that

established a children’s museum in their neighborhood.

Florida’s region rebuilt a kitchen for an organization serving teen parents and women in crisis.



The Dallas office hosts an annual golf tournament for the building industry that provides financial aid for inner-city students.

Leading by Example

We recently established the Beck Community Development Foundation and have empowered Jim Gettman, managing director and member of Beck’s Leadership Group, to establish and work with a team to provide leadership for company-wide humanitarian efforts. So far, this group has been involved in sponsored efforts in conjunction with

humanitarian organizations like Living Water International. Teams have traveled to El Salvador and Mexico to participate in several water-well projects for Living Water International so communities have access to clean, running water.

Closer to home, employees also worked on two homes in need of roof repair a full two years after Hurricane Rita blew through Beaumont, Texas.

The Results Are Clear

This brand of employee enrichment has become a lifestyle. More than 60 percent of Beck’s employees report that last year they actively supported civic groups, school and church committees, homeless shelters, PTA groups, scout troops, arts groups, nonprofits, environmental efforts and governmental committees.

Our employees make a meaningful difference not only through the excellent work they do for Beck, but also because of their community involvement. Taking on humanitarian causes locally and globally is part of our family-owned corporation’s DNA.

Peter Beck is CEO and Managing Director of The Beck Group, based in Dallas, Texas. Beck offers a full spectrum of professional services, including development, planning, architecture, interior design, and construction. For more information: www.beckgroup.com

The Silent Language of Leadership

BY CAROL KINSEY GOMAN, PH.D.

All leaders express enthusiasm, warmth, and confidence—as well as arrogance, indifference, and displeasure through their facial expressions, gestures, touch, and use of space. Consequently, if an executive wants to be perceived as credible and forthright, he or she has got to think “outside the speech” and recognize the importance of nonverbal communication.

When a leader stands in front of a thousand employees and talks about how much he welcomes their input, the message gets derailed if that executive hides behind a lectern, leans back *away* from his audience, puts his hands behind his back, shoves

his hands in his pockets, or folds his arms across his chest. All of those send *closed* nonverbal signals—when the intended message is really about *openness*.

Then there is the matter of timing. If a leader’s gestures are produced before or as the words come out, she appears open and candid. However, if she speaks first and then gestures, her gestures are perceived as contrived. At that point, the validity of whatever is said comes under suspicion.

Nonverbal communication also plays a critical role in making sure the workforce truly receives and understands

key messages. If a leader is going to talk about new initiatives, a major change, strategic opportunities, or bad news, he or she needs to do it in person. Face-to-face communication is just more effective. It sends a clearer message but also offers the speaker the opportunity, via nonverbal communication, to build trust and professional intimacy.

Carol Kinsey Goman, Ph.D., is an executive coach, author, and keynote speaker who addresses associations, government, and business audiences around the world. Her latest book and program topic is *The Nonverbal Advantage—Secrets and Science of Body Language at Work*. For more information: CGoman@CKG.com



Here's what you'll find on the
AMA Members-only Website www.amamember.org

SALES & MARKETING

Secrets of "Alpha" Companies. Companies like Starbucks, Victoria's Secret, and Harley-Davidson didn't become industry leaders by being the biggest, best value, or first to market. They dominate their categories by making their customers feel special.

HR/TRAINING

Wellness Programs: Remedy or Risk? Employee wellness programs are a win/win, right? Sure, they help employers cut costs and provide healthful benefits for workers, but government regulations and privacy issues can create serious complications.

MANAGEMENT

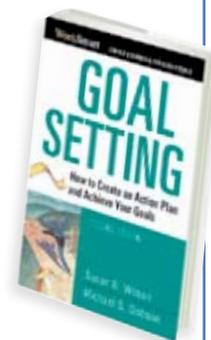
Employees Cry Out for Feedback. Bruce L. Katcher, Ph.D. explains why your management mantra should be: "Provide ongoing feedback." You must let your people know what's expected of them and how they're doing. The result will be a more confident and productive workforce.

LEADERSHIP

The Future of Advice. Technology may continue to speed a worldwide information revolution, but as *The Conference Board Review's* Michael Schrage says, "While good advice is surely good information, good information is not necessarily good advice."

Book of the Month

Goal Setting: How to Create an Action Plan and Achieve Your Goals, by Susan B. Wilson and Michael S. Dobson (AMACOM, 2008). Successful people know how to set specific, achievable goals for themselves and then follow through to achieve them. The authors provide the tools you need to realize your dreams.



AMA Conferences/Special Events Calendar

MAY 14 WEBCAST • Strategic Alliances: The Business Imperative for Partnering in a Convergent World. Technology, globalization, change at the speed of light! No organization can afford to go it alone in today's economic landscape. This webcast will examine why companies around the corner and across the globe are entering into collaborative relationships to leverage opportunities for growth and innovation in an increasingly competitive environment.

MAY 21 WEBCAST • Age Curve: Examining the Changing Demographic Landscape. Are you and your organization realistically grounded in what the business world will look like in five, ten or fifteen years? As baby boomers retire, can you find people to fill the void of middle managers? Have you thought about who's going to be buying

your products and services and what that group will want? Do you understand the workforce trends you should be tracking to plan your future employment path? Join us as we explore the many impacts of the retiring boomer generation as companies face a labor shortage and shifting marketplace demographics.

MAY 28 WEBCAST • Consolidations: How the New Guidance Impacts Your Company. Do you know the important accounting issues arising from FASB's new consolidation guidance? Join this webcast where we'll examine the new consolidation guidance concerning Statement 141-R, Statement 160, and the differences between U.S. GAAP and IFRS relating to business combinations and non-controlling interests.

JUNE 4 WEBCAST • Maximizing Project Value. Far too many projects lose sight of their original purpose due to shifting resources, changing objectives, and unexpected developments. This webcast explores clear, immediately usable advice for delivering the kind of project success that truly provides value to your organization.

JUNE 11 WEBCAST • Succession Planning: Building the Leadership Pipeline. Identifying and retaining talented people is a critical priority for today's organizations. While many organizations are good at recruitment and training, fewer organizations have succession planning programs in place. Join this webcast to learn what research and experience have discovered about some simple, straightforward ways to locate and develop the future leaders of your company.

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Executive Matters
Member Newsletter
 May 2008 Issue

1601 Broadway
 New York, NY 10019-7420

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