

Preamble

“It is only in our united character, as an empire, that our independence is acknowledged, that our power can be regarded, or our credit supported among foreign nations...[Dissolve the union, and] we shall be left nearly in a state of nature, or we may find by our unhappy experience that there is a natural and necessary progression from the extreme of anarchy to the extreme of tyranny, that arbitrary power is most easily established on the ruins of liberty abused to licentiousness.”

– George Washington¹

Successful leaders know they need a strong, strategic plan to get through times both tough and good. They know the only way to save a company, or a country, is to implement that plan relentlessly and modify it when necessary. Strategic leaders *respond* to crises, while others *react* with tactics. Strategic leaders decide when it’s time to make small course adjustments or go in a new direction based on thoughtful analysis.

Tough times are nothing new for leaders. Leaders are defined by the hard challenges they take on and how they tackle them. The leaders you’ll meet in this book, whether from the twenty-first or the eighteenth centuries, share two characteristics: they have *vision* and they *execute strategic plans to make that vision a reality*.

A Tale of Two Meetings

The executives gathered around the table were glum. The local economy was tanking. Companies all over town were shedding staff like dandruff. The normal boardroom banter

was absent. The only sound was the clink of silver spoons on china cups. For the first time, they felt the full weight of the fate of the company settle on their fashionably-clad shoulders.

Then the CEO arrives, dapper and chipper, a smile on his face. He accepts his herbal tea from the concierge, raises his cup in salute, and starts the meeting.

“Folks, we’re going to be OK. Our plan is working and will get us through this.” The bold statement is greeted by facial expressions from shock to relief, from wonder to knowing confidence. The CEO explains how the robust strategic plan they forged months ago will carry them through this rough patch. They will dial back a few targets, go full steam ahead on others, add some staff, and continue to follow their plan. He ends by saying, “Our competitors are floundering and grasping at gimmicks. Our plan has saved the company.”

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Go back in time to 1787. Sunlight seeps through the shuttered windows of an elegantly appointed room with hand-carved furniture. The stylishly dressed men in their silks, fine woolens, and linens hardly notice their surroundings. Outside the stuffy, hot room, the economy is tanking, inflation is rampant, violence due to foreclosures is common, and enemies encroach, waiting to attack. The fate of their country is at stake.

Then the host of the gathering rises and begins to speak to the glum delegates. “Gentlemen, our country is in peril, but we have a plan to save her and put us firmly on the road to a sound future that we have paid such a heavy price to secure.” He reads a plan for organizing a national government based on the principles embraced by the majority of people in the room. Their faces register shock as they realize they will not be amending the existing framework, but planning an entirely new form of government. Some fidget and scowl, some smile in exultation, others simply look bewildered. Most shoot a

glance at the most prominent man in the room, General George Washington. He nods his approval as each idea is read. Hope spreads through the room as the delegates realize that the bold new plan can save their country.

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When the Going Gets Tough...

The founding fathers² and the contemporary leaders in this book, despite their similarities, have one crucial difference — the modern leaders are not trying to create a nation. Yet the modern leaders were chosen because, when they had to make tough decisions, they acted strategically, as did the founders. They saw a future many others could not see. They set a new course and mobilized their teams. Since the original interviews were conducted, some of the leaders have moved on, and some have stumbled.

What they said and accomplished is frozen in time, just as with the founding fathers. The contemporary leaders readily admitted they made mistakes and shared how they learned from them. We can learn from them *because* they are so human.

When author and historian Joseph Ellis describes the founding fathers, he also might be describing modern leaders:

This is a story, then, about tragedy as well as triumph, indeed about their mutual and inextricable coexistence. I come away from it still believing that the gathering of political talent at this historical moment is unlikely ever to be surpassed...But I also come away with a more chastened sense of celebration, periodically wishing that the founders had been demigods who could perform miracles. Then I catch myself and realize that, *if flawless, they would have nothing to teach us. And they do.*³

The way the framers of the U.S. Constitution went about creating their plan of government has many parallels with the way modern leaders engage in strategic planning. In many ways, the Constitutional Convention was a strategic planning session.

In this book, you will experience that tumultuous time over two hundred years ago and gain an understanding of the awful circumstances that compelled leaders to confront the status quo and, technically, commit treason for the second time. Along the way, you'll meet leaders of today and see how they confront challenges and develop strategies parallel to the methodology of the framers and founders.

Meet the Contemporary Leaders

Meet these men and women who led their organizations through tough times:⁴

- **B. Ben Baldanza, CEO, Spirit Airlines:** Since 2005, he has helped the airline grow in a turbulent industry, replacing the aging fleet, competing as a low-cost carrier, and building an international presence at its home airport.
- **David L. Brown, former City Manager, Coral Gables, Florida:** From 2001-2008, he led the city into the digital age by providing greater services and improved operational efficiency to its forty-four thousand residents.⁵
- **George Hanbury II, COO/Executive Vice President, Nova Southeastern University:** He's recreating Thomas Jefferson's 'academical village' on the NSU campus. He came to the university in 1998 after serving as a city manager and turning around several declining cities.

- **Steven D. Hayworth**, Chairman/CEO, **Gibraltar Private Bank and Trust**: He founded the bank in 1994 and grew it from \$40 million to \$1 billion in eleven years. The bank thrived in a highly competitive niche while others failed. **Tony Caron** served as CFO.⁶
- **Steven D. Hickman**, President/CEO, **Florida Shores Bank – Southeast**: Hickman started this commercial bank in 2006 with a business model for long-term growth that is focused on the needs of underserved small businesses in the Pompano Beach, Florida area.
- **Michael Howe**, former CEO, **MinuteClinic**.⁷ From 2005 to 2008, he worked to change the face of health care, writing a new prescription for an ailing industry, and growing the business from nineteen retail clinics to five hundred twenty-five.
- **Luda Kopeikina**, Founder, CEO, **Noventra Corporation**: She founded the company in 1999 to promote companies with innovative technologies. She also developed a breakthrough executive decision-making methodology.
- **Alan Levine**, former CEO, **Broward Health**: In 2006, he took over a hospital system facing the health-care crisis and local calamities and restored its vitality. He is now Louisiana’s secretary of Health and Hospitals.
- **Edward Novak**, former Senior Vice President, **Bank of America**: He built a strong team to improve operational support for the commercial division, while managing technology in an ever-changing financial marketplace.
- **Clarence Otis**, CEO, **Darden Restaurants**: In 2004, he set out to create a new type of customer experience

and redefine the casual dining niche in signature restaurants such as Red Lobster.

- **Howard Putnam**, former CEO, **Southwest Airlines**: In 1978, founder Herb Kelleher faced brutal competition and brought Putnam aboard to take charge of the flying experience. Putnam did, *and* tripled profitability.
- **Evan Rees**, former President, **CNL Bank**: He left his long career as a bank executive in 2008 and took on the challenge of entrepreneurship to raise money for a variety of nonprofits.
- **Donna Shalala**, President, **University of Miami**: The former secretary of Health and Human Services in the Clinton administration took the helm at UM in 2001, with a mission to build an economic engine for the community.
- **Stephanie Sonnabend**, co-CEO, President, **Sonesta International Hotels Corporation**: In 2003, she took on the mission of refreshing the brand and growing the business by creating unique hotels that reflect local culture.
- **John Stunson**, City Manager, **Oakland Park, Florida**: He began a second stint as city manager in 2001, facing major survival problems for the city of forty-three thousand. He created new community leadership structures.
- **Gregory Swienton**, Chairman/CEO, **Ryder System**: As CEO since 2000, he has led the company in a fresh approach to sustained profitability in a highly competitive market, while building a strong culture.
- **Stephen Tansey**, COO, **York Container Company**: Since becoming COO in 2004, he helped the family

-owned manufacturer adopt new management structures and adapt to a changing regional economy.

- **Timothy Winger**, Owner/CEO, **Novelty Manufacturing**: He needed to reinvent the family business that was struggling to compete in a market dominated by big-box stores and offshore manufacturing.
- **John Zumwalt III**, Chairman/CEO, **PBSJ Corporation**: When he became CEO of the subsidiary, PBS&J International, he set an ambitious goal “to be the first billion-dollar company with a culture.”

As these leaders encountered tough situations, they took a strategic approach, very much like the Constitutional framers. Both groups followed similar steps to translate vision into reality at critical junctures. They:

- Acknowledged the magnitude of the issues without flinching;
- Focused their own strengths and those of their teams to face the issues head-on;
- Envisioned a different and better future for their organizations;
- Put strategic plans in place, and focused on results relentlessly;
- Avoided the pitfalls of knee-jerk, firefighting reactions to obstacles that would have diverted them from their goals;
- Kept everyone focused and energized; and,
- Made tough, necessary decisions and acted on them.

As a result, these contemporary leaders, like the founding

fathers, created organizations that could survive and eventually thrive in a hostile world. To understand that world of some two hundred years ago...⁸

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The Crisis

Imagine a cool, early spring evening in 1787. Edmund Randolph, Governor of Virginia, and James Madison are ensconced in high-backed chairs before the fire. The Governor's well-tailored silk suit shimmers in the reflected firelight of his elegantly appointed study. He lounges in his chair, sipping mulled wine. Madison, dressed in his customary black garb, his face intense, sits forward, his small frame alive with energy that crackles behind his solemn countenance. The Revolution may have been over for four years, but their conversation swirls around the dire state of their fledgling nation.

Madison addresses his host, "Edmund, I tell you this new convention must work! Just this morning, the papers reported those damned pirates have captured another of our ships in the Mediterranean. Jefferson tells me we're losing a quarter of our grain and fish exports to them. Did you know they're holding the captain for ransom and selling the crew into slavery? The government simply cannot do anything about it. General Washington is fed up and thinks it could all collapse. He's told me we need to act."

"I know, Jemmy," Randolph responds somewhat hesitantly, "but I'm not convinced this meeting you've proposed in Philadelphia will be any more productive than the one we went to in Annapolis last year. It did cool down our Virginia hotheads who wanted to declare war on Maryland and Delaware over our fishing rights. But I'm more afraid of being picked off by the Europeans."

He segues into the British refusal to abandon their frontier garrisons as required in the treaty that ended the Revolution.

He says he mistrusts the French despite their help in defeating the British. He worries about Spain's complex maneuverings in the west. "I'm getting frustrated talking about it," he continues. "Why do you think this meeting will help? He stands, takes a few paces, and returns to his chair with a sigh.

"Because, Edmund, we don't have a choice," Madison says, trying to control his own rising anxiety. "The system we have now *does not work*." He comes to the subject that has alarmed people throughout the states, Shays' Rebellion. "If these farm foreclosures continue, Captain Shays and his rebels will become the norm. The very fact that they took over the courts, ran off the judges, and attacked the arsenal threatens all of us."

"But look what my cousin Jefferson wrote to William Smith," Randolph says as he takes a letter from his pocket, holds it closer to the firelight and reads. "'Where does this anarchy consist? And can history produce an instance of rebellion so honorable conducted? God forbid that we should ever be twenty years without such a rebellion. What signify a few lives lost? The tree of liberty must be refreshed from time to time with the blood of patriots and tyrants.'" He waves the letter disgustedly and returns it to his pocket.⁹

"Yes, everyone's quoting that letter," Madison sighs. "Tom's been in Paris too long. He doesn't understand the threat here. When I spoke with General Washington, he was furious about the rebellion and the reaction of those New Englanders. They called for a virtual monarchy to keep it from happening again. All of this should spur some of the fence-sitters to come to Philadelphia and act.

"Anyway, we're all threatened by this rampant inflation because the states keep issuing worthless paper money. Who knows what violence will come next?" The firelight illuminates the fear creeping into his face.

"Of course we're right to be scared, Jemmy. I heard a rumor that some states are planning to secede," Randolph says, his voice beginning to rise.

“Edmund, the picture’s grim. With our unpaid war debts, the Europeans won’t lend us more money. But I have a plan to make this Convention succeed. As I see it, we must abandon the current Articles of Confederation...”

Randolph sits up abruptly and sputters, “But Jemmy, that’s treason...”

Madison interrupts, “It’s not the first time we are guilty of *that* crime. We didn’t hang in the Revolution and we won’t hang now.” Randolph’s eyes widen with alarm as he puts down his glass and leans forward nervously. “Hear me out, Edmund. For the last year, I’ve read everything on governance I can lay my hands on — even my old college papers. The type of confederation we have has always collapsed and failed. The States cannot be the center of sovereignty...”

Randolph breaks in again, his voice cracking, “But Jemmy, you’re talking about *my* job now. As Governor, I have to defend the rights of the states...”

“Hear me out, Edmund. My studies of every form of government — from ancient to modern — tell me that only a strong republican form can survive...”¹⁰

Agitated, Randolph interrupts again, “But our country is too big. I may not be the scholar you are, Jemmy, but everybody knows republics collapse when the territory becomes too big. They turn to despotism and worse. Look at the Roman Empire...”

Madison leaps to his feet, his face alive, and takes his debating stance. “That’s been true in the past, but I believe we can construct a republic that can be contained though checks and balances with three separate branches of government. All the great political philosophers of the last two centuries agree on those principles. Look at the British constitution. It enshrines...”

Randolph suppresses a laugh, “Now you’re *really* being treasonous!”

Madison ignores the joke and keeps talking, “We must put together a national system, not beholden to the states, but to

the people themselves, with a strong executive branch. Just read over my draft, Edmund, because I want you to present it when the convention opens.”

“Me? But...”

Madison speaks more intently. “You’re the host of the Convention. They’ll expect you to start the session with some sort of outline. You’ll present the plan from our Virginia delegation as the suggested form of government. We are the largest and most powerful state, so we should use it to our advantage.”

“But Jemmy, if word of this gets out...” Randolph’s voice trails off as he glances at the study doors.

“Don’t worry; I’m working on The General.” Madison’s tone becomes conspiratorial as he sits down and leans toward the governor. “If General Washington is there, we’re all covered. No one will doubt *his* patriotism and intent. You’ll appoint The General to the state delegation immediately. As more state leaders agree to come, he’ll see the necessity of showing up.

“Besides, ‘states rights’ men like Patrick Henry will boycott it. They’re perfectly happy with the status quo. Let Henry and his cronies stay in Richmond until they rot! Do you know he refuses to be part of the delegation? He says he ‘smelled a rat.’”

“Jemmy, I’ve never seen you so worked up.”

Madison is on his feet again, pacing before the fire. “Worked up? You bet I’m worked up. It’s too bad John Adams is in London and Tom’s in Paris. But Alexander Hamilton will be there, and he’s such a radical our proposals will look sensible, not treasonous!

“Listen, the chaos and breakdown are escalating. The Articles of Confederation and Congress are impotent. Everything we fought for in the Revolution will be destroyed. Who knows when another country will have the courage to create such an experiment in liberty?”

“OK, Jemmy, I’ll read your draft. Maybe it will be cooler in Philadelphia this summer anyway...”

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The Future at Stake

When fifty-five men eventually assembled in Philadelphia from May through September in 1787, they knew the future of their country was at stake. They represented twelve of the thirteen states – Rhode Island refused to send delegates. Travel back to the Pennsylvania State House, now Independence Hall, in that long-ago spring and summer. Enter the meeting room with its classic Georgian architecture and muted colors, where the green baize-covered tables are arranged in a semicircle facing a raised platform. The tables, seating two men each, are arranged geographically from north to south as in the Congress, beginning with Massachusetts and ending with Georgia.

General George Washington sits at the table on the platform. His unanimous election as president of the Constitutional Convention and his grave air lend legitimacy to the proceedings. Washington plays a key role in these proceedings, although, as it turns out, he does not speak publicly to any issue during the entire summer until the last day. Even when sitting with his Virginia delegation, when the Convention meets as a Committee of the Whole, he retains his enigmatic silence.

Every eye in the room watches for his reactions as they speculate endlessly about his views. Does a raised eyebrow mean he's suppressing his legendary temper? Does the flicker of an eyelid signify mild disagreement? Does a slight relaxing of his closed mouth indicate he approves? Behind the scenes he is more forthcoming.

Men like James Madison have come to know and appreciate his strong republican views. The General's beliefs carry weight and inspire the younger leaders in the fight for a strong national government.

Great Leaders Mold Their Teams

The men we reverentially call the “framers” and Thomas Jefferson called “demigods” were an interesting, if skewed, collection of American leaders. Staunch opponents of change, like Patrick Henry of Virginia, either stayed home, or actively sought to derail the proceedings from a distance like New York’s Governor Clinton, who had two of his henchmen in the state’s three-man delegation.

New York sent Alexander Hamilton, John Lansing, and Robert Yates. When the latter two Clinton allies realized the new Constitution would decrease the power of the states, they left, never to return. The delegation rules prevented Alexander Hamilton from casting his single vote for the state and he also left, but later returned.¹¹

The delegates were a diverse group of lawyers, major land owners, scholars, diplomats, and legislators, with a sprinkling of men of humble origin, most notably Benjamin Franklin and Alexander Hamilton. Most were men of property and social standing. A number were slave owners; others were active in antislavery causes. Many had seen service in the Revolution. They were the seasoned, recognized leaders of their day. They ran the gamut from brilliant to dull, from morally upstanding to corrupt, from well-intentioned to purposely destructive, from passionate to indifferent. They were used to representing the people, but were not representative *of* the people.

Modern leaders may inherit a team that is not ideal and it may not be feasible to replace all the members. Like Madison, Washington, and the other Convention leaders, strong leaders of today can mold a less-than-ideal group into a more effective team by keeping everyone focused on the vision and mission, as later chapters will show.

In the end, the men at the Convention, like the best of today’s executive teams, managed to transcend their immediate personal, parochial interests. They created the U.S. Constitution and a strong system of government that

have stood for over two hundred years, in spite of the frailties of the humans who created them and who must make them work. Contemporary teams often demonstrate this same sort of synergy and unexpectedly strong results.

Put Yourself in the Picture

See yourself as part of your state delegation debating, dining, and discovering Philadelphia with Alexander Hamilton, Benjamin Franklin, James Madison, or George Washington, as you work through those crucial months in 1787. The enormous windows in the high-ceilinged meeting room are closed and shuttered against the prying eyes and ears of the public and the press.

You meet from ten a.m. until three p.m. without a break. You sit on an uncushioned wooden chair, straining to hear. The city put down sand to dampen the clang of hooves and the creaking of wagon wheels on the busy cobblestone street outside, but the measure is only partially effective.

In the front of the room, James Madison hunches over a table, scratching away in shorthand with a quill pen, trying to record everything that is said. He wants the world to have a record of *how* a republican constitution is created. He seldom takes a break and is never absent. Some delegates disappear for weeks at a time. You all have pressing business and family matters back home.

You're spending your own money. Your state legislature had no idea you'd need to be supported for so long. Because there is no standard currency, you need to have Spanish, Dutch, or English coins — local merchants won't accept your state's worthless paper money.

Yet just like a contemporary business meeting, socializing is important. At four o'clock, delegates assemble in one of the taverns for the main meal of the day. You dine on fresh meats, fish, fruit, vegetables, pastries, and delicacies washed down with ale, beer, cider, *and* wine. Afterwards you smoke

your pipe or cigar, drink port, and swap bawdy stories and political views.

Some evenings you're off to the theater, a concert, or an edifying lecture. You tour botanical gardens, factories, and museums. You attend church services to hear famous preachers from various denominations. You write long letters to friends, family, and political allies.

As you sit, month after month, in the sweltering Pennsylvania State House, you are frustrated as some point you already decided is brought up yet again. You chafe under the self-imposed decision of complete secrecy. You are worn out from working six days a week in the Convention, doing committee work, sharing a sleeping room with a fellow delegate who snores prodigiously, eating and drinking too much and exercising too little, and generally disrupting your life.

Yet despite fatigue, flies, and frayed tempers, you slowly transform the interests and pet ideas of a diverse group into a coherent plan for republican governance. You sacrifice, compromise, and stand your ground as you face a set of challenges that could destroy your new nation. You overcome all obstacles and create something unique.

Leadership makes the difference.

Great Leaders' Motto: Be Prepared

In today's volatile business environment, companies act or react in varying ways. Some thrash about, looking for a quick fix or new marketing campaign. Some hunker down, cut staff and costs, and put all their energies into short-term survival. Some do whatever Wall Street analysts suggest, eking out a few more pennies on the stock price and keeping their jobs for another quarter. A few resort to fraud.

Some companies *do* stay strategically focused and succeed over the long haul. They look to the future and move steadily in that direction. They invest, plan, and prepare for expansion.

Preparation separates successful planners from unsuccessful ones. Although it's hard to imagine, there are executives who show up without doing their homework. Like Madison and a handful of others who arrived in Philadelphia with a written plan, successful leaders have a purpose, a direction, and a draft plan. Even the majority of the fifty-five delegates who didn't come with a draft plan had all done some serious situational analysis, which was why they were attending.

James Madison deserves his title as "Father of the Constitution" not because of his influence on its content, but because of his methodical planning. He made himself a constitutional expert with detailed research and analysis. He outlined a governing constitution that became the de facto agenda for the Convention. His draft organized the debates into some semblance of order around the key questions that required decisions, although the finished plan differed from his in significant ways.

Madison's behind-the-scenes work led to compromises that helped the Convention succeed. The framers, like modern executives, entered the session with some fixed ideas and some areas where they were flexible. In a good strategic planning session like the Convention, ideas flow and morph, are rehashed and reshaped, and end up stronger and different, if not perfect, in the final plan. This messiness is necessary to bring out better, more creative, ideas. Successful modern leaders do the same as Madison. They spend time before the planning session putting together ideas, discuss those ideas with the team, and get people on board.

Great Leaders Lead by Example

Despite his misgivings, Governor Randolph presented the draft at the opening of the Convention as the "Virginia Plan," and set the stage for the historic planning session. Madison also used his considerable persuasive powers on George

Washington, as did others, convincing him to attend as head of the Virginia delegation.

Washington's presence was crucial to provide protective cover and an atmosphere of legitimacy for the delegates. They were about to violate the Articles of Confederation, which required all thirteen states to agree to any amendments, a feat that had proven impossible. To the shock of many delegates, as soon as the Virginia Plan was presented, it was obvious that they were going to create an entirely new Constitution rather than try to tinker with the existing one.

When John Rutledge seconded Washington's nomination to be president of the Convention, the South Carolina delegate observed, "the presence of General Washington forbids any [negative] observations on the occasion."¹² The General was almost universally revered at this time. Without his presence, many states would not have attended and the Convention would have had little hope of succeeding. In addition, his views were the same as those of Madison at the time and the others who supported a strong national government to replace the supreme power of the states.

Like Washington, contemporary leaders send strong messages to their teams by their presence and conduct at the planning session. If they are engaged and enthusiastic, the team follows suit. If they are going through the motions or undermining the event in some way, the team follows *that* lead.

As Madison records, Washington set the tone for the convention and his style of leadership when he was "conducted to the chair...from which in a very emphatic manner he thanked the Convention for the honor conferred on him, reminded them of the novelty of the scene of business in which he was to act and lamented his want of better qualifications, and claimed the indulgence of the House towards the involuntary errors which his inexperience might occasion."¹³

Extraordinary Times Require Extraordinary Leadership

The framers were involved in a strategic planning session that had both the form and substance of the sessions many leaders conduct today. (The major difference was the *length* of the session.) You can learn from these extraordinary leaders how to create your own enduring organizations, and solve seemingly intractable problems, especially in tough economic times.

As you try to put yourself into that long-ago setting, look at *how* they developed their strategic plan, the Constitution, and use these lessons as guidelines for your own organizations. Look at *how* contemporary leaders, even in situations very different from yours, develop their plans and take their organizations forward.

Perhaps the most important lessons for contemporary leaders come from the extensive, *messy* dialogues about the complex issues of the day. The Convention discussions provide an object lesson in how to encourage creativity through the constructive clash of ideas. They show us how to apply long-term thinking, knowledge of human psychology, and the immediate need for action in pragmatic, useful ways. They also show us how even great leaders can make big mistakes. At the same time, we can also learn from modern leaders, who are as adept as the framers in using the same approaches in discussions, decision-making, and decisive planning.

Listen to these leaders' voices, past and present, as they translate vision into action and successful results. But questions arise: How do you apply these leaders' "*conventional*" wisdom? How do you lead your organization into an extraordinary future? How do you act as a strategic leader when you face a daunting reality? Why is facing reality such an important first step?